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THE FORTUNE INTERNATIONAL 500

David Rockefeller Jr. is the crown prince of a family that is dismantling its kingdom

THE ROCKEFELLERS

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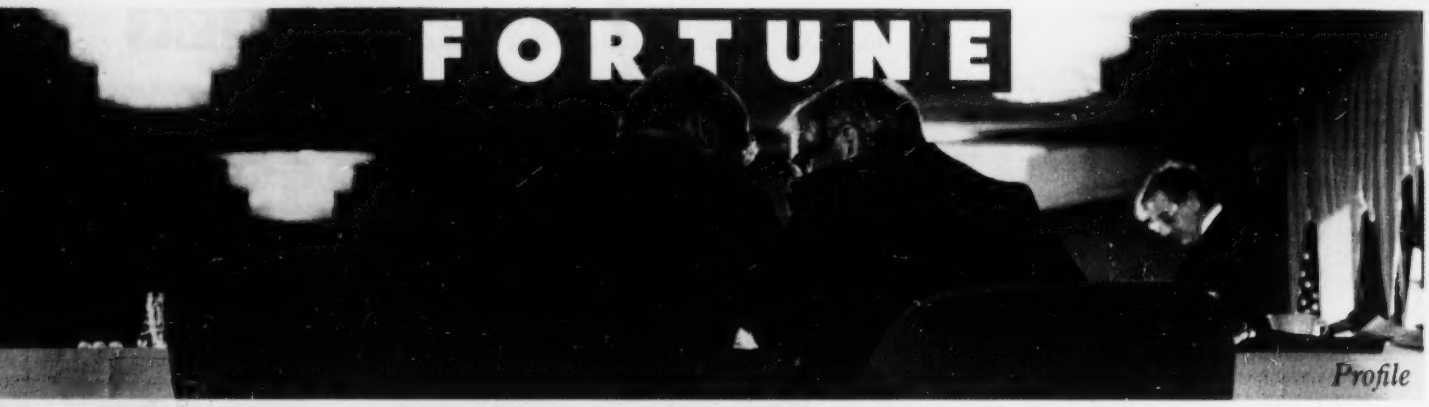
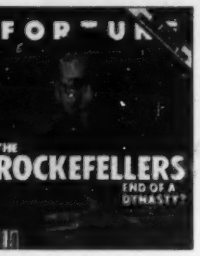




William Coupon's over subject osed outside his family office," which lls three floors in Rockefeller Center's RCA Building. See page 26.

MONEY & MARKETS

The Rockefellers: End of a Dynasty? 26
Not even a few billion goes all that far when many of the 83 heirs want more cash fast. *by Carol J. Loomis*

THE ECONOMY

Fortune Forecast:
- **Consumers Will Keep Growth on Track** 41
- **Too Many Job Seekers** 44

MANAGING

South Africa: Time to Stay—or Go? 46
More U.S. companies are pulling out. But the case for hanging in there remains strong. *by Lee Smith*

CORPORATE PERFORMANCE

The King of Suds Reigns Again 130
Procter & Gamble is scoring big market share gains with a bunch of boffo new products. *by Faye Rice*

Seagram Moves to Brace Sagging Spirits 134

Companies to Watch 138

SELLING

Will Captain Midnight Buy a TV Decoder? 139

Health Care Is Good for Madison Avenue 145

Un-Plain Planes 147

POLITICS & POLICY

Tax Reform Notions for Dan and Bob 150

The Supreme Court Shakes the Ad Biz 152

PROFILE

A Preacher's Son's Gospel for Steel 154
Lynn Williams, the urbane boss of the Steelworkers, believes in protectionism and profit sharing. *by Myron Magnet*

People to Watch 157

COMPETITION

It's 4th & 10—The NFL Needs the Long Bomb 160
The richest league in professional sports is beset by antitrust trials, TV trouble, monster salary demands, and players on drugs. *by Thomas Moore*

What Teams Are Worth, Sport by Sport 167

SPECIAL REPORT

The FORTUNE International 500 and the World Economy 169
As the global recovery plods ahead, higher earnings have been getting harder to find for the largest non-U.S. industrial companies. Among the world's 50 biggest industrial companies, profits actually shrank in 1985. But for the biggest non-U.S. banks, it was a very good year.

The Editor's Desk 4

News/Trends 8
Nakasone (and Becker) win big, banks pay a price for plastic, People Express buys time, and more.

Follow-Up 14
Market-mover Mendelson, GM faces down the Big Board, and more.

Letters to Fortune 17

Keeping Up 213
by Daniel Seligman

Personal Investing 217
Insurance company bargains. Convertible-bond funds. Connecticut banks. Portfolio Talk: Stock strategist Barton Biggs.
by John J. Curran

Other Voices 225
Bust the Reagan trustbusters.
by William G. Shepherd

On Your Own Time 229
Sharpening shutterbugs' eyes.
by Marilyn Wellemeyer

Index 232
Companies in this issue.

Books & Ideas 233
Blasting away at Social Security.
by Stephen Chapman

up there and voting for them.

The court ruled that Gramm-Rudman violated the Constitution's separation of powers by giving the comptroller general, a legislative official, the power to impose spending cuts, usurping executive responsibility. Gramm-Rudman's sponsors immediately said they would seek to make the comptroller independent of Congress, but they probably will not be able to muster enough votes. In that case, says Republican Senator Warren Rudman of New Hampshire, "Congress will be forced to bite the bullet and

Rudman: biting the bullet

make the necessary cuts."

The first round should be relatively painless. Last March the comptroller trimmed $11.7 billion from the 1986 budget, and Congress is expected to approve his reductions. Then comes the hard part. The Gramm-Rudman timetable calls for a 1987 deficit of $144 billion. FORTUNE does not expect Congress to meet that target (see The Economy). But even partial success will probably mean deep cuts in military spending and a possible tax increase—both of which would put Capitol Hill on a collision course with the White House.

THE COST OF BAD CREDIT

	DECEMBER 1985 CREDIT CARD BALANCES	AVERAGE LOAN LOSSES IN 1985
Citicorp	**$9 billion**	**3.86%**
Bank of America	**$4.3 billion**	**3.22%**
Chase Manhattan	**$3.3 billion**	**3.23%**
First Chicago	**$3.2 billion**	**3.01%**
Manufacturers Hanover	**$1.5 billion**	**2.06%**

SOURCE: KEEFE BRUYETTE & WOODS INC.

The rising loan losses coincide with pressure for lower rates.

Problems in plasticland

■ Back in 1984 U.S. banks littered the landscape with plastic in a drive for new credit card customers. Now they are paying for it. Loan losses on cards issued during the 1984 campaign are running at an estimated 8% to 10% of the outstanding balances. The result is a disquieting rise in loan losses on total portfolios—new and old cards—at a time when the industry may be on the brink of a rate war. Mighty **Citicorp**, which probably has the most plastic floating around, heads the list. Losses on its total credit card loans are now running at just over 5%—or about $1 million a day. While Citicorp is willing to pay that price for expanding its national market, other banks may soon be looking for new credit managers. "If losses hit 5% at some banks, you'll see mass executions," says Joel Friedman, a bank management consultant at Arthur Andersen & Co.

Still, no one is hanging black crepe in the credit department just yet. When new customers sign up in droves, it takes time to sort out the deadbeats. Meanwhile, most banks are making solid profits on their plastic. Short-term interest rates have been falling for two years, but credit card rates remain stuck in the high teens. Even with the higher losses, after-tax returns on assets are a healthy 2% or so in an industry where anything over 1% is unusual.

Can it last? Several states are pressing for lower credit card rates. The greatest pressure is in Connecticut, where a state usury law limits rates to 15%. Shortly after the law was enacted in June, a few banks touched off a price war that pushed rates below 12%. Reproduced on a national scale, that sort of competition could leave the landscape splattered with red ink. Says Robert Albertson, a managing director at Smith Barney: "At 15% probably three-quarters of all card issuers will be under water."

Hard times for the people at People

■ It cost **People Express** many millions and eight painful months to learn that its new shoes were too big. Last November People Express spent $100 million to buy Frontier Airlines. Now it will sell Frontier to United Airlines for $146 million, after absorbing the estimated $70 million in losses Frontier has racked up since November. (In accepting United's bid, People rejected a $236-million takeover offer from **Texas Air**.) The sale should buy People some needed time. "It's sink or swim from here on in," says David Sylvester, an analyst with Montgomery Securities.

Sylvester doubts that anyone will want to acquire People Express now; Frontier was its most valuable asset. If someone is interested, he says, People's selling price will be at best $6 a share, far less than the $9 a share offered by Texas Air. Employees, who own about 25% of the company, have worked for low wages and done a variety of jobs (pilots have often checked luggage). They could buy People stock at what seemed like bargain prices. But at $6 a share—only a quarter of the price in 1983—most employees would

A pilot (and shareholder) checks baggage at People's Newark terminal.

SOUTH AFRICA: TIME TO STAY—OR GO?

U.S. companies that keep operating there face steadily mounting criticism at home. But pulling out probably would not force change, or at least not the change most reformers have in mind. And what happens to the employees whom companies leave behind? ■ *by Lee Smith*

PERHAPS no other market has ever required so much anguish for so little reward as South Africa. The directors of some U.S. corporations now spend considerable amounts of their time justifying to shareholders and clergymen as well as to themselves why they still do business in a country ruled by racists. And a meager business at that. Only a handful derive more than 2% of their sales from that tortured nation of 32 million; the return on U.S. investment there is puny.

The soul-searching among U.S. managers over what to do about their South African operations has taken on a new urgency because there may not be much time left for deliberation. The state of emergency proclaimed by the government is a desperate, despotic step in a country that appears to be falling apart piece by piece. The government jails suspected troublemakers along with peaceful protestors; blacks kill other blacks, apparently in some cases at the provocation of government agents; a\bomb explodes a block away from IBM's headquarters in Johannesburg. American executives, who a year ago were generally willing to talk about their hopes for compromise and peaceful solution in South Africa, have fallen silent.

Other voices have been raised to a shout. In a flash of anger the House of Representatives passed a bill that would ban all U.S. trade with South Africa except for strategic materials, require all American companies to shut down operations there within 180 days, prohibit all loans to South African companies, and bar South African Airways from U.S. airports. The Senate Foreign Relations Committee is beginning hearings on similar proposals. While President Reagan opposes such broad economic sanctions, he has not said he would veto a bill enacting them.

Many U.S. companies aren't waiting for the government to yank them out. In the past two years the number with factories or offices in South Africa has dropped from over 325 to about 265. Ten or so have withdrawn this year, including Eaton, Bell & Howell, and General Electric. In April GE sold its subsidiaries, ending an enterprise that began in 1894 when it started selling lighting equipment in Johannesburg. IBM, one of the ten largest U.S. employers in South Africa and a leader in programs for black advancement, has let its work force dwindle from over 1,900 a year ago to about 1,600. That shrinkage makes customers wonder whether IBM will be around tomorrow to service the computers it wants to sell today.

When long-entrenched GE packs up and IBM appears to waver, is it time for other sensible corporations to clear out? The answer does not come easily or unequivocally, but for now it is no.

Involvement in South Africa is still worth agonizing over, and an impressive band of companies, including General Motors, Mobil

PETER MAGUBANE—GAMMA LIAISON

As Xerox *wrestles with pressures for withdrawal, it worries about the fate of managers like Frank Mothapo (left) and Wellington Mnikati (right), shown with their boss, local managing director David English.*

By remaining, *GM may help train the next generation of first-line managers.*

Oil, and Coca-Cola, continue to stick it out. The moral argument for staying is substantially better than the one for leaving. The economic case for hanging in also seems stronger than the case for quitting, though not by much.

South Africa's black leaders disagree on whether U.S. corporations should leave. Chief Mangosuthu G. Buthelezi, the leader of nearly seven million Zulus, wants them to stay. The increasingly powerful African National Congress wants them out, and so does Nobel laureate Desmond Tutu, the Anglican bishop of Johannesburg. Tutu argues that an American pullout is the kind of radical international action that will be necessary to shock the South African regime into negotiating an end to apartheid. He points out that the government permitted integrated sports contests only after foreign authorities banned South Africa's white athletes from world events. But token integration on the playing field is a far cry from integrating a whole society.

The threat of economic isolation is not likely to bring the government to its knees. True, it would drag down further an economy that is already leaden, burdened by drought, low world prices for its commodities, high interest rates, and inflation. Withdrawal also might use up some of the capital South Africans have available for investment. European companies are under pressure to leave too, so the likely buyers for American-owned businesses would be South Africans; commonly these days a departing company sells out to its local managers. If a flock of American companies were to depart in a hurry, they would probably have to sell cheap, perhaps for 20 cents on each $1 of assets. The Commerce Department calculates the total U.S. investment at about $1.3 billion, so buying up American properties would require perhaps $300 million in South African savings that might otherwise start new enterprises. If trade with the U.S. and other Western nations were cut off, the economy would further contract, and it would be just that much harder to find work for two million to three million unemployed, and increasingly rebellious, blacks.

The Afrikaaner right wing that controls the government believes the country could survive in economic solitary confinement. South Africa is stubbornly self-reliant. It feeds itself without great effort and for years has been crushing coal from its vast reserves to make gasoline and other liquid fuels. The limited embargoes that the U.S. and other nations have already imposed do not seem to have much impact. In 1978, for example, the U.S., along with most of the rest of the world, banned arms sales to that country. The South Africans promptly expanded their own arms industry; they are now major exporters of missiles, artillery, and machine guns.

No one can be sure, of course, how a withdrawal of American investment and a ban on trade might change South Africa—and whether the net of those changes would be good or bad. Withdrawal probably would not be for the better, though, whatever else happens in the country. The principal victims of economic isolation would likely not be the South Africans but their black neighbors to the north in Botswana, Zimbabwe, and other nations of the sub-Sahara that rely on South Africa's railroads and ports to trade with the rest of the world. After a few years the South African economy might rebound as customers for its diamonds and other precious metals figured out ways around the barriers.

If, on the other hand, the economy continued to sink, increasingly desperate blacks might become more revolutionary. Even though blacks outnumber whites by about 4 to 1, the whites could field half a million well-armed troops on short notice. The blacks have neither a significant supply of weapons nor the prospect of getting any soon. They could mount guerrilla attacks, making life uncomfortable if not untenable for whites. Fanatics on both sides might welcome such a situation, but it is surely not what most reformers in the U.S. have in mind.

If American companies stay on, they at least have some chance of helping to change a loathsome system in a less violent way. "U.S. business has been one of the biggest single influences in sabotaging apartheid," says John H. Chettle, a white South African and a director of the South Africa Foundation, a pro-integration organization sponsored by the business community.

Most major U.S. corporations abide by the Sullivan Principles, which require them to integrate the cafeteria and washroom as well as the office and the factory floor, to pay black workers as much as whites, and to promote blacks into managerial jobs. The supervisors who emerge from among the 47,000 black workers employed by U.S. companies could help form a cadre of black managers for an integrated South Africa.

AS LONG AS U.S. companies remain in South Africa they can offer their black workers at least some protection from the government—and from conspicuously racist employers. Says an official of Goodyear Tire & Rubber Co., which has over 1,000 black workers, "Once we leave we have no voice at all. Our employees want us to stay." So far, at least, the relatively few American executives and technicians in the country have not been threatened by either the government or militant blacks.

The integrated workplaces of U.S. companies in South Africa also keep an ideal alive and tangible for progressive South African

RESEARCH ASSOCIATE *Arieh Coll*

businessmen. Lou H. Wilking, GM's managing director in South Africa from 1977 until last summer, advised the labor minister that he was going to consolidate the company's four separate sets of facilities—cafeterias, locker rooms, toilets—for blacks, coloreds, white hourly wage earners, and white staff members. Technically what he wanted to do was illegal, but the minister said he would look the other way. Afterward, Wilking recalls, a parade of local businessmen came by to find out how he did it.

Since September about 100 American companies have tried to increase their say in racial and political matters through the U.S. Corporate Council on South Africa. Members of the council have met with government officials, including State President P. W. Botha, and told them why apartheid is bad for free enterprise and has to go. So far their advice has had no noticeable effect. One American manager who has spent ten years in South Africa urges patience. Says he: "I think we'll see a continuous cycle of repression, violence, and reform. The way we'll know whether any progress is being made in the midst of all that is whether we see blacks gradually being brought into government, into bodies like regional councils."

The trouble is, this kind of gradualism is not acceptable to an increasing number of blacks. Thus, if peaceful reform is to work, it must be substantial and it must come soon. Otherwise U.S. companies may find their position unsupportable, and the case for withdrawal compelling.

Even under the best of circumstances, it may be a long time before South Africa is good for U.S. business. Some companies do thrive in niches there. Monsanto, for example, says it made a tidy profit on its Roundup herbicide

EMPLOYEES OF U.S. COMPANIES IN SOUTH AFRICA

Blacks	47,000
Asians/Coloreds	14,000
Whites	35,000
TOTAL	96,000

SOURCE: SUSAN M. COLLINS, BROOKINGS INSTITUTION

Those Who Can't Leave

While the ranks of U.S. companies in South Africa have thinned, the number of blacks they employ has held steady for the past five years.

there in 1985. But many large manufacturers have been losing money for several years. Devaluation has driven the rand down to 30% of what it was worth in 1981, which means factories have to pay over three times as much to import raw materials and parts. Now there is a new cost: The city governments of New York, Washington, San Francisco, and more than a dozen smaller communities have laid down policies against buying items like cars and computers from companies that have investments in South Africa.

Still, there are at least two sound business reasons for sticking it out. First, a company risks creating a dangerous precedent if it gives the impression that it is leaving South Africa primarily to serve the pleasure of a city council or a university that threatens to shake the company's stock out of its portfolio. A corporation that can be chased from South Africa, the argument goes, might also be run out of South Korea or any other place that aldermen and junior professors (or students) find disagreeable.

Further, South Africa has been profitable for U.S. corporations in the past, so companies like GM and Goodyear Tire, which have been in the country for 60 or 70 years, take the long view that someday they will make important money there again. The country is, after all, the wealthiest on the continent, with ten times as many telephones and cars per capita as other major African countries.

Pulling out now with the hope of coming back in a decade or so to cash in on better times is impractical. It would be foolish to expect that whoever is running South Africa in ten years—black or white or some combination—will make a special place for a returnee. It seems much wiser to stay on and cultivate a variety of black leaders, particularly trade unionists and leaders in communities where the company operates. At the very least, such ties might help keep looters out of the inventory.

The behavior of other African states suggests that companies will not be punished in the future for having remained under the apartheid regime. "African revolutionaries tend to be very conservative once they are in power," says Richard W. Hull, a New York University professor and consultant to businessmen on Africa. "Look at Angola. Gulf Oil was sustaining the Portuguese colonial government. Now the Marxists are in power and Gulf is still there."

OVER THE LONG PULL, getting out will likely please only competitors eager to pick up the pieces. Japanese companies are forbidden by their nation's laws from owning businesses in South Africa. But through middlemen they already command half of South Africa's market of 300,000 or so new-car sales a year. By comparison, GM stays in business with only a 10% share of the market; Ford owns 42% of Samcor, which has a slice of about 20%. One of IBM's global rivals, Hitachi, does not make computers in South Africa or export directly to the country, but it does sell $50 million worth a year indirectly by way of a European distributor. Through its agents Hitachi would presumably move in further if IBM were to move out.

In the sweep of history there comes a time when emotions and ethics overpower even the strongest economic arguments. That time may come in South Africa, but it has not come yet. For rational and moral reasons, the decision of U.S. businessmen to remain there is difficult. But for the moment at least, it is better to stay than to go. F

One of the largest *U.S. employers in South Africa, Mobil hopes to fuel future growth there.*

PETER MAGUBANE—CAMERA PRESS

COMPETITION

IT'S 4TH & 10— THE NFL NEEDS THE LONG BOMB

The richest league in pro sports is beset by antitrust trials and other tribulations: TV trouble, monster salary demands, players on drugs. Commissioner Pete Rozelle is still smiling, but the league's happiest days are past. ■ *by Thomas Moore*

JEFF HERNSTEIN

Beleaguered Commissioner *Pete Rozelle faces a raft of troubles.*

THE SCENE was a nondescript function room of the Hyatt Regency Hotel in Cambridge, Massachusetts. At 9 A.M. on a bleak February day in 1984, 65 executives of the National Football League met for an annual labor relations seminar organized for the league by professors of the Harvard Business School. Two previous seminars had focused on negotiating skills to help clubs bargain with players. A testy players' union charged that the get-togethers inevitably led to collusion on salaries. This year's seminar would be a little different, and cause a lot more trouble.

At the suggestion of Michael McCaskey, the young new president of the Chicago Bears and grandson of league founding father George Halas, a key speaker at the seminar was Michael Porter, a Harvard B-school star known for his provocative ideas on how to analyze and combat competitors' strategies. McCaskey, himself a former Harvard Business School professor, hoped Porter would "stretch the league's intellectual framework" for thinking about its mounting business problems. Chief among them was rapidly escalating player salaries, aggravated in the last couple of years by the formation of a competing league. The United States Football League played in the spring, largely to avoid

head-on competition with the 66-year-old NFL, and was having trouble establishing itself. But since it started to bid up salaries for star players, the annual growth of NFL player costs—over half of each team's operating budget—had jumped from a worrisome 15% to an alarming 25%.

When league officials had seen the seminar's proposed agenda, they had requested that Porter's talk and the issue of the USFL be given greater prominence. One had noted in the margin: "More time for Porter—get specific—case of NFL v. USFL." Porter more than obliged.

Dimming the lights and projecting a page-by-page outline on a screen, Porter declared the NFL was in guerrilla warfare with the USFL. He flashed up a quotation from an ancient Chinese warlord: "To conquer the enemy without resorting to war is the most desirable. The highest form of generalship is to conquer the enemy by strategy."

Then Porter spent 2½ hours analyzing the capabilities, strategies, and weaknesses of the USFL and proposing ideas and strategies with which the NFL might vanquish its enemy. They included: Try to "dissuade" ABC from continuing the USFL's TV contract (one way would be to give ABC's *Monday Night Football* a weak schedule filled with NFL teams badly hurt by USFL player raids); sign the best USFL players to future contracts or determine if current contracts can be broken (Herschel Walker, superstar running back of the USFL's New Jersey Generals, could be a target); encourage problem players and overvalued players in the NFL to jump leagues, depleting scarce USFL resources (Porter cited Fidel Castro's ploy of unloading mental cases and hardened criminals on the U.S.); attempt to co-opt the most powerful and influential owners with promises of NFL franchises; try to bankrupt the weakest teams to reduce USFL size and credibility. League executives liked what they heard. McCaskey was so enthused he asked Porter to give the talk to a larger owners' meeting.

But NFL Commissioner Pete Rozelle, who wasn't at the seminar, says that when he heard what had been discussed he fell physically ill. What he feared soon came to pass: The USFL filed a $1.6-billion antitrust suit against the NFL, citing the Porter presentation as one of three "smoking guns." Porter's ideas were legitimate strategies for a company in a normal competitive market. But if several companies in the same business—particularly companies that dominate a market the way the 28 NFL clubs dominate pro football—combine to destroy competitors, they violate the Sherman Antitrust Act.

The suit, soon to be decided by a jury of one man and five women in federal court in Manhattan, comes at a dicey time for the NFL. A guilty verdict threatens catastrophic damage. Even if the NFL wins, the cost will have been several million dollars in legal fees—and a time-consuming distraction from a raft of other serious problems.

AFTER 25 YEARS of geometrically rising fortunes, owners and players are learning, some to their astonishment, that the league is vulnerable to the normal play of economic forces. Last year the teams together did pretty well: They earned perhaps $70 million on $780 million in revenues. In comparison, pro basketball doesn't earn nearly as much, hockey is scraping by, and half of major league baseball teams are breaking even or losing money. But the NFL's television revenues could drop next year, making the league unprofitable. Even though football players on average earn less than baseball and basketball players, their rising salaries are eroding profits. The scandal of drug use by players has given the game a seamy dimension; when Rozelle recently announced a drug-testing program, opposition from the players' union forced him to submit to arbitration. The triumph of Los Angeles Raiders owner Al Davis in an antitrust suit has weakened the league's authority. Team owners are bickering over how to attack these problems, and their dissension is one more threat to the league. The NFL might climb out of this ditch, but the joy ride of the most successful league in the history of pro sports has ended.

The NFL's worst problem, remarkably, is television, which was the main factor in the league's spectacular rise.

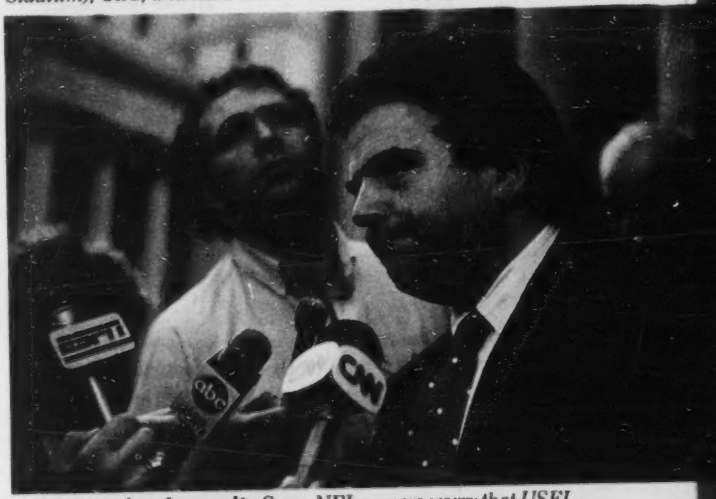
continued

RESEARCH ASSOCIATE *Susan Caminiti*

ADAM STOLTMAN—DUOMO

Hard-pressed networks: *NBC (covering play at Giants Stadium), CBS, and ABC want to cut what they pay the NFL.*

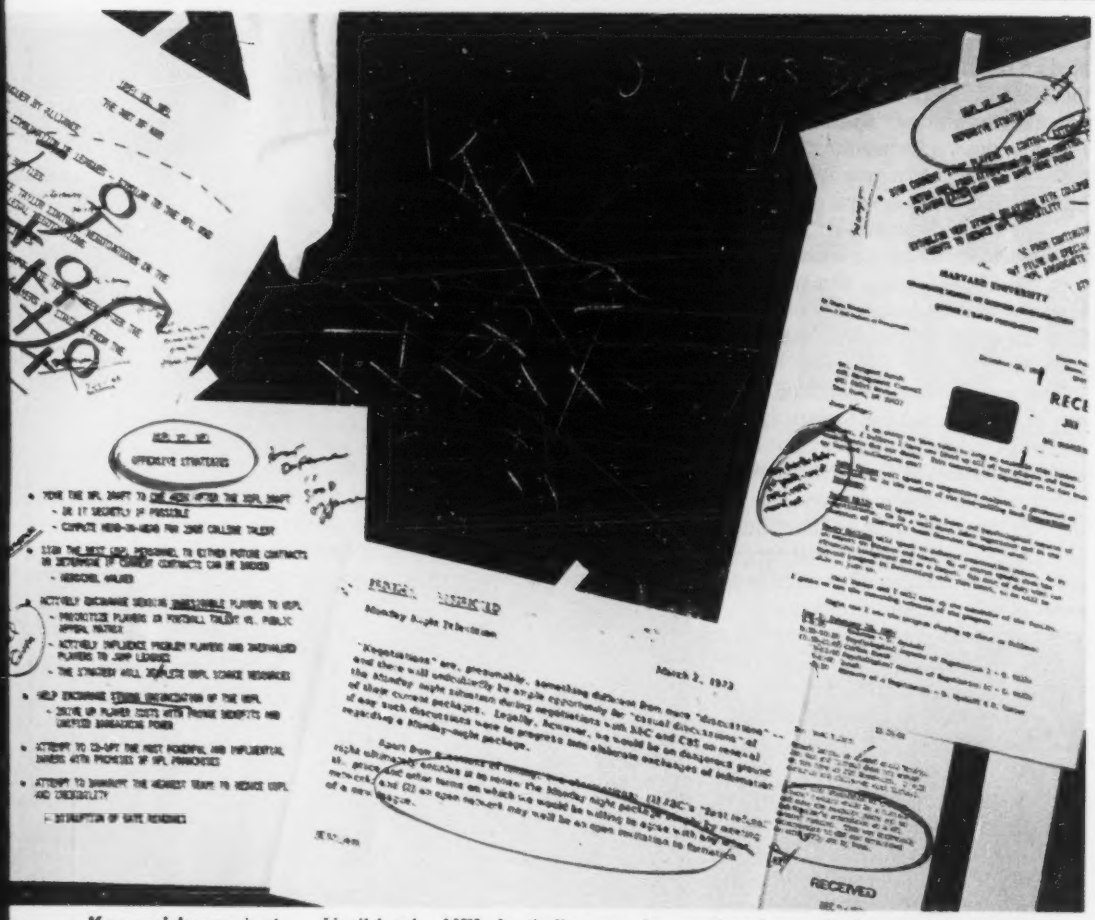
ANDY FREEBERG



A frightening lawsuit: *Some NFL owners worry that USFL attorney Harvey Myerson has built an antitrust case they can't beat.*

RONALD MODRA—SPORTS ILLUSTRATED

Drug scandals: *New England Patriot Tony Collins is among a growing number of NFL players alleged to be drug users.*



Key evidence *in the USFL's antitrust case against the NFL are these documents. The USFL claims they show how the NFL tried to destroy the fledgling league and in the process violated the Sherman Act. The NFL says the USFL has practically destroyed itself.*

Until lately, NFL football games have been among the networks' most lucrative fare. The networks have shelled out for them accordingly. Under the current five-year contract, signed in 1982, they pay the league $2.1 billion, which is divided evenly: $15 million annually per team, providing just over half the average team's revenue.

But when Rozelle renegotiates the contract next spring, he will think he has run into the Refrigerator. Last year the networks, plagued by soft advertising sales and a glut of sports programming, lost about $60 million on NFL football, according to Neal Pilson, an executive vice president of the CBS Broadcast Group. Pilson says CBS lost $22 million and estimates the other two networks each lost something similar. The networks may do even worse this year. Roone Arledge, head of ABC News and formerly head of Sports, testified that ABC could lose about $30 million. The NFL disputes these figures. Says Rozelle: "I have strong information they were closer to breakeven." That would still leave him a long way from a strong bargaining position.

Network executives admit they miscalculated the demand for advertising in NFL football broadcasts when they signed the contract after the 1981 season. That year produced the best ratings and ad sales in NFL history. The networks have no intention of making a similar mistake this time.

Much will depend on how the NFL performs on TV this fall. Despite a rebound in ratings last season, preliminary ad sales for the coming season are not encouraging. According to J. Larre Barrett, head of ABC Sports' ad sales, Chrysler has agreed to buy 30-second spots on *Monday Night Football* for $190,000 each, $15,000 more than last year. But Chevrolet, one of the NFL's biggest advertisers, pulled out. "It will be difficult for us to recover those dollars," says Barett. At best, he hopes to reduce ABC's losses on *Monday Night Football* this year.

Unless ad sales bounce back miraculously, the networks will want to cut annual payments to the league by at least the $60 million Pilson estimates they lost last year. "We're not anxious just to break even on an investment as huge as the NFL," Pilson says. "The amount at stake is substantially higher than $60 million a year."

Such a hit would "be a shocker," admits Arthur Modell, owner of the Cleveland Browns and head of the league's TV committee. It would be worse than that according to Lamar Hunt, owner of the Kansas City Chiefs and a connoisseur of big financial trouble: "It would throw every team into the red." According to Michael S. Megna, a leading appraiser of sports franchises at American Appraisal Associates Inc. in Milwaukee, a 10% decline in TV revenues would also bring down the average value of NFL franchises by 10%. (For the worth of franchises in football and three other pro sports, see box.)

The TV problem cascades into another one: A drop in TV revenues will force owners to hold the line on what they pay players, and maybe even ask for money back. That in turn could spark a players' strike next year when the current union contract comes up for renegotiation. The last players' strike, in 1982, lasted eight weeks and cost each team about $3 million. Last year the average player's salary was $193,000—more than double what it was in 1981. Says the Bears' McCaskey, "The conclusion is inescapable: If TV revenues go down, player salaries would have to go down too."

League owners are already clamping down on salary expenses. Last year they cut team rosters from 49 to 45 players, and some owners began to take a hard line on contract renewals. McCaskey of the Bears refused what he considered unreasonable salary demands by two star defensive backs, Todd Bell and Al Harris, who held out for the entire season. The Bears won the Super Bowl without them, bolstering McCaskey's position. "What is clear," he says, "is how we will respond to any agent who tries to blackmail us." This year McCaskey is holding the lid on defensive end Richard Dent, the Bears' top quarterback sacker and most valuable player in the Super Bowl.

PHOTOGRAPH BY VICTOR SCHRAGER

So far this summer, owners have signed fewer college draft choices than in previous years, indicating they are getting tougher in contract negotiations. But accustomed to breathtaking revenue growth, they have little taste for budgetary discipline. McCaskey was amazed by the league's primitive management practices. "None of the teams did three-year financial projections," he says incredulously. When the league started requiring them, many owners sent in plans premised on making the play-offs. "I told them not to do that anymore," says NFL treasurer John Schoemer. "We can't have 19 teams making the play-offs."

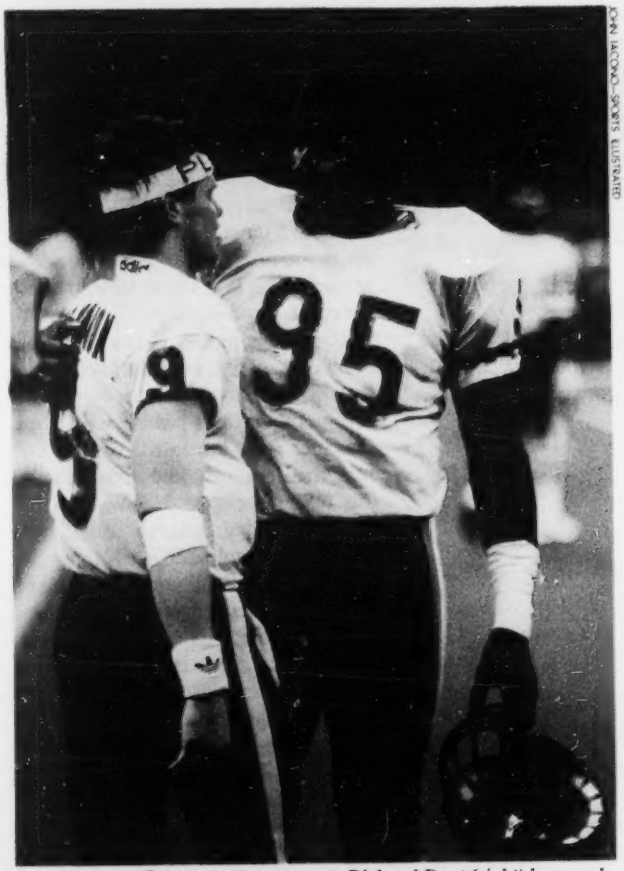
OWNERS HAVE a greater appetite for developing new sources of revenue that they don't have to share with other teams. Under the NFL's pooled TV contracts, all teams share revenues equally. They also split ticket sales 60-40 between the home and visiting clubs. But teams do not have to share income from luxury "skyboxes," which are considered real estate investments. In the past ten years, NFL owners have invested a lot of money in building these big-windowed rooms near the tops of stadiums that wealthy fans and corporations lease for $30,000 to $80,000 a year.

The Minnesota Vikings and Los Angeles Rams generate some $2 million a year from skyboxes. The Denver Broncos are building boxes that will bring in up to $3.5 million a year; the San Francisco 49ers, $5 million. And the Miami Dolphins, in what McCaskey of the Bears calls a breakthrough concept, will finance the construction of a $90-million stadium entirely on revenue from leasing skyboxes and selling some 10,000 season tickets for premium seats at $600 to $1,400 apiece. Altogether, the Dolphins will probably gross $18 million a year from preferred seats—more than half the average NFL team's revenues today. Dolphin owner Joseph Robbie says he expects to pay off his new stadium's mortgage in 12 years.

While skybox money will be used initially to finance stadium construction and improvements, a lot will eventually find its way to the clubs' bottom lines. But small-market teams in places like Green Bay and Cincinnati have trouble selling many expensive preferred seats, so they are starting to militate for sharing this revenue too. League meetings have heated up on the subject, and a confidential study by Arthur D. Little on how to deal with the problem sits on a shelf.

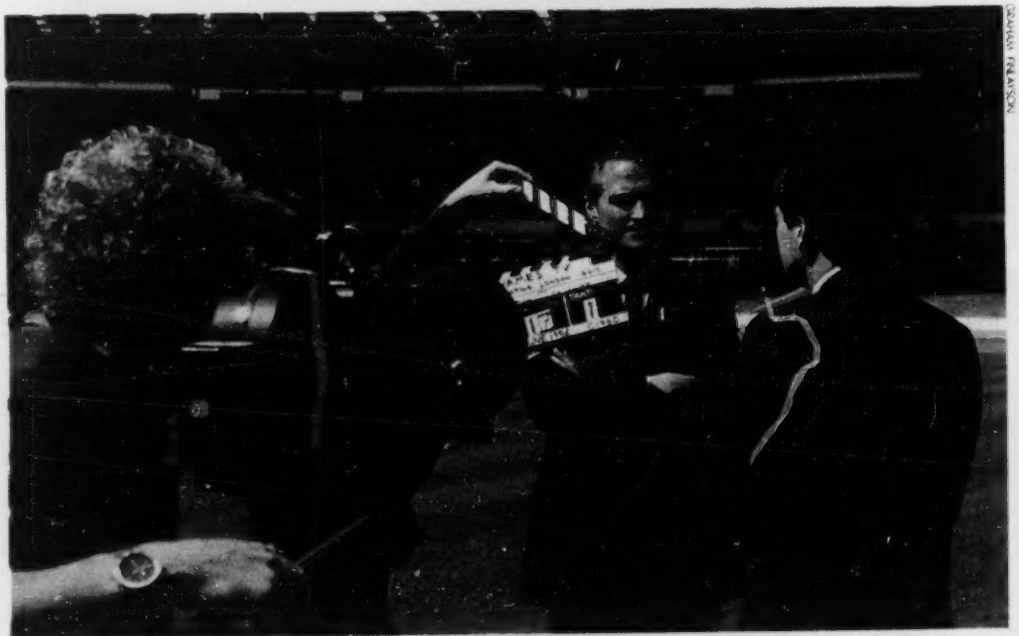
Skybox revenues aggravate a troublesome disparity between rich and poor teams similar to one that plagues major league baseball. Baseball teams do not share local TV revenues, which for teams in big cities are much greater than the network take. As a result, teams in such markets as Los Angeles and New York make millions more than teams in small TV markets, such as Seattle and Cincinnati. The big TV market teams can thus invest more in acquiring good players. The better players can bring the teams better records, which in turn create more interest and money for the team, widening the gap between haves and have-nots.

Until recently pro football's revenue-sharing arrangements have given small-market teams roughly the same resources as big-market teams. But skyboxes, plus favorable stadium deals between certain cities and teams and a widening range in top ticket prices, will increase the revenue gap between



JOHN IACONO—SPORTS ILLUSTRATED

A reluctant Bear *for the moment, Richard Dent (right) has made salary demands that the club, determined to control costs, won't meet.*



GRAHAM FINLAYSON

Top Bear *is club president Michael McCaskey, among the NFL owners most aggressively trying to clamp down on player salaries. Above, he promotes an exhibition match between the Bears and Cowboys in London.*

In signing TV contracts with all three networks, the NFL appears to have overreached itself, inviting antitrust scrutiny.

the rich and poor. According to Schoemer, the gap could jump from $7 million to $14 million in the next couple of years.

Another have vs. have-not issue disrupting the NFL stems from owners' different debt burdens. Many original NFL owners, such as the New York Giants' Wellington Mara and the Pittsburgh Steelers' Art Rooney, have little or no debt. But some new owners have borrowed heavily. They need to make enough money to pay operating costs and service debt. Consequently, they are not about to share any new revenue they can squeeze out of their franchises.

Such concerns could seem small if the NFL loses the USFL's lawsuit. Since mid-May owners from both leagues have muscled each other for room in a small gallery crowded with amused sports reporters, secretive lawyers, and baffled courthouse idlers. The case has featured a succession of luminaries from sports, television, and politics, ranging from the smooth and often vague Rozelle to the bombastic but hilarious Howard Cosell. After NFL attorney Frank Rothman had objected that several of Cosell's football stories were irrelevant, much as "Dandy" Don Meredith used to on *Monday Night Football*, Cosell told another, adding, "That is irrelevant, Mr. Rothman, but it is colorful."

As the trial neared its end, both leagues officially expressed confidence in winning. But even NFL owners were shaken by the strong case built by the USFL's chief counsel, Harvey Myerson (cited by FORTUNE as one of five "Lawyers for Companies in Deep Trouble," October 14, 1985). When it was time for the NFL to present its side, league attorneys decided not to fill the 20 court days allotted. Halfway through their presentation, Atlanta Falcons owner Rankin Smith Sr. was clearly feeling miserable. Embroiled in salary negotions with players, he told the Atlanta *Constitution*, "We can't keep paying people like we have, especially with the $1.6-billion suit that we're losing. I don't like what I see. I'm worried. And if we do lose, it will be chaotic." Although jury trials are practically impossible to call, some NFL owners feared they could get hit with a monster verdict, such as Pennzoil's $10.5-billion courtroom triumph over Texaco.

FOR THE USFL the outcome is a matter of survival. Its original game plan to play football in the spring never caught on with fans in the stands or on the tube, and the networks would have no part of its new plan to play head to head against the NFL this fall. That left it in an untenable financial position. The refusal by the networks and the reasons for it are at the heart of the USFL's case. In signing TV contracts with all three networks, the NFL appears to have overreached itself, inviting antitrust scrutiny. By tying up all three networks, the NFL made it difficult for any other league to get a foot in the door. As long ago as 1973, NFL in-house counsel Jay Moyer had written an internal memo—another "smoking gun," according to the USFL—that warned of the dangers of bargaining too hard with ABC. "An open network may well be an open invitation to formation of a new league," he wrote.

NFL lawyers argue that the USFL destroyed itself by poor management, paying players more than it could afford and switching to a fall season. But even if they are right, that may not be enough to get the NFL off the hook. Network executives who testified, including Roone Arledge of ABC and Pilson of CBS, deny that the NFL pressured them to turn down a deal with the USFL in the fall. Such pressure would have been unnecessary, they said. Signing up the USFL, even if its ratings had been better than they were, simply did not make economic sense while the networks were also broadcasting NFL and college football games and losing money on them. A CBS study showed that televising the USFL would have pulled viewers from the network's other football offerings and led to a net loss.

But if one network had not been televising NFL games, it would not have worried about audience dilution. Like ABC in 1960, which did not carry NFL football and decided to take a chance on the American Football League, an open network would have considered the USFL's sales pitch on its own merits. In short, whatever the *intent* of the NFL's deals with the three networks, the economic *effect* was to make it difficult for a competing league to get its day on TV in the fall.

The palace guard: *Dallas Cowboy President Tex Schramm, a Rozelle loyalist, tells reporters the USFL's case is preposterous.*

The doubter: *Miami Dolphin owner Joseph Robbie, in front of his rising stadium, thinks the NFL could have done more to avoid antitrust suits.*

Says a USFL insider: "All we gotta do is show intent *or* effect and we win." Indeed, that is how the courts have interpreted the Sherman Act.

The NFL claims the USFL's real game plan, engineered by New York real estate mogul Donald Trump, who owns the USFL's New Jersey Generals, was to force the NFL to take in four to six USFL teams. A merger of six more teams would dilute each of the present NFL teams' current TV revenues by about 20%, a devastating prospect for the owners. Trump would not object to a merger so long as it included his team. But he claims his motives as a USFL owner were simply to resolve the league's terminal illness. "I told the other owners that our only chance was to move to the fall and get a network contract," he says. "If we couldn't get a TV contract immediately, then we would bring an antitrust suit against the NFL. The beauty is, we will either have a very strong, viable league because of the treble damages award, or at least we will know not to waste any more time."

The NFL is already the loser in another big antitrust suit, which has weakened the league's authority over individual teams and cracked its facade of unity. The antagonist was Al Davis, a team owner who defied the league by moving his Raiders from Oakland to Los Angeles in 1982. The Raiders had sold out for 12 consecutive seasons in Oakland and won two Super Bowls. But Davis felt that the best way to ensure the Raiders' financial future and competitive position was to move to one of the biggest metropolitan markets.

The league tried to stop him, and Davis took it to court, arguing that the NFL's rule allowing franchise moves only by a three-fourths vote of the owners was an unreasonable restraint of trade. His suit touched a problem that has dogged the NFL and other pro sports leagues for years. The NFL is a nonprofit unincorporated association of 28 separate businesses, each of which owns and operates a team. The league has bylaws that establish the rules of play on the field and off the field among owners. By definition, such an association constitutes a cartel among competitors that in the business world would generally be regarded as illegal under antitrust laws.

ROZELLE and most NFL owners contend that sports leagues are special animals, that their rules governing team business are really just extensions of the rules of the game. Unlike agreements among economic cartels, whose purpose is to discourage competition, league rules are intended to increase competition, making the game more appealing, they say. "Our monopolistic practices are designed to control ourselves," says Tex Schramm, president of the Dallas Cowboys and a close friend of Rozelle's. Paul Tagliabue, the NFL's longtime outside counsel from the Washington firm of Covington & Burling, likens the league's owners to a company's board of directors. "Any normal business can decide where it wants a plant," he says, "but we're treated like a group of conspirators rather than a meeting of the board."

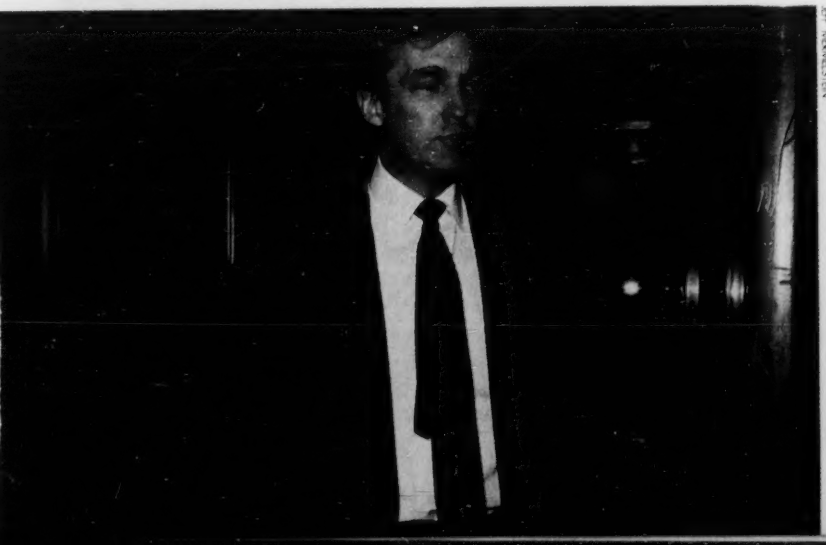
The courts have disagreed with this view repeatedly, ruling that pro football is just another business and that each team is a separate entity. In 1982 a Los Angeles jury decided in Davis's favor. Recently a three-member federal court panel, which had previously upheld the verdict, asked that the damage award of some $11 million be reviewed. Trebled as required by law, and with interest and legal fees added in, the amount currently stands at about $65 million—or $2.3 million to be paid by each of the 27 other NFL teams. The panel said that the award must be lowered by the excess in value of a Los Angeles expansion franchise over an Oakland expansion franchise. At the same time, however, the panel that sent Davis's award back for review ordered the NFL to pay $15 million in damages to the Los Angeles Memorial Coliseum.

The NFL can afford the damages more easily than it can the effect of the decision, which invalidated league bylaws governing franchise moves. In the wake of the 1982 verdict, Robert Irsay, owner of the Baltimore Colts, moved his team to Indianapolis in the middle of the night. Other owners who have run into financial problems are also shopping their teams around to greener cities.

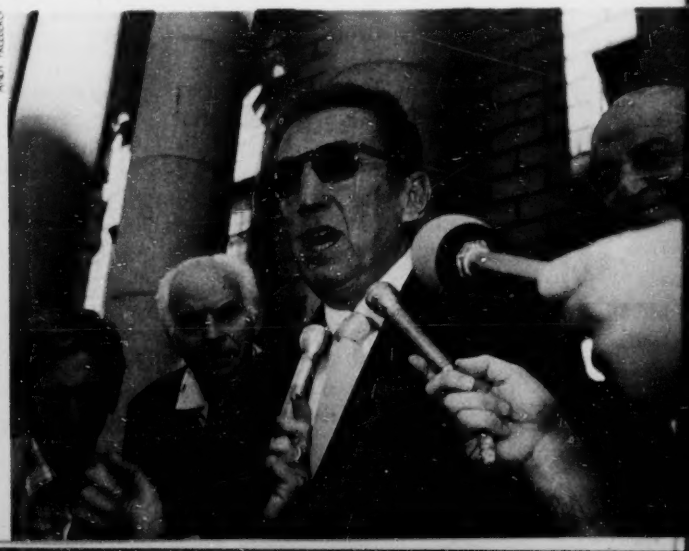
These moves have caused howls of outrage among jilted fans, city officials, and Congressmen. Rozelle, once accused of wielding czar-like power,

Says Tex Schramm of the Cowboys: "Davis always had this personal vendetta against Pete, but it's never been so overt as it has lately. He's trying to get Pete out."

The shaker: *Real estate developer Donald Trump, who owns the USFL's New Jersey Generals, pushed his fellow owners to take on the NFL.*



The maverick: *Raiders owner Al Davis won his suit against the NFL and aided the USFL's suit. His lawyer is Joseph Alioto, right.*



JEFF ISRAELSTEIN

The former philosopher-king *of ABC's* Monday Night Football, *Howard Cosell, found another pulpit on the witness stand to spin out tales of derring-do against the sports establishment, most notably his former network boss Roone Arledge and his former friend Rozelle.*

claims there is nothing he can do in light of the Davis decision. Many owners agree. "We are asking Congress to tell us what to do," says Lamar Hunt. "The league can't continue spending all its time in court."

Congress has given the NFL limited exemptions from antitrust laws so it could pool TV contracts and merge with the AFL. Now it wants another exemption that would allow it to control franchise moves. Ideally the league would prefer a blanket exemption like the one major league baseball has enjoyed since 1922, when Supreme Court Justice Oliver Wendell Holmes proclaimed the game a national pastime, not commerce governed by the antitrust laws. Congress has been reluctant to give the NFL any more exemptions and instead is considering a bill proposed by Senator Arlen Specter of Pennsylvania that would tell the league how to govern franchise moves. Instead of a three-fourths vote by owners, only a simple majority would be required, plus some proof that an owner could not operate his team profitably in its current market over several years.

Davis's lawsuit and testimony in the USFL suit, revealing what Rozelle and other owners said at closed-door meetings about the USFL, have shaken the league to its core. Some NFL executives believe Davis is motivated only by revenge. The former commissioner of the American Football League, Davis thought he should have gotten credit for the AFL's merger with the old NFL in 1966, associates say. He was stung when Rozelle, a former public relations man whom Davis regarded as less qualified for the job, beat him out to be commissioner of the combined league. Says Schramm of the Cowboys, who negotiated the merger with AFL founder Lamar Hunt: "Davis always had this personal vendetta against Pete, but it's never been so overt as it has lately. He's trying to get Pete out." Davis dismisses this by saying that the NFL has been painting a vengeful picture of him for years.

Whatever Davis's motives, his actions have fouled the league's once smooth operations. "Every one of our board meetings can now be turned around by one member because he might sue," says NFL counsel Tagliabue. "Here everything becomes a potential treble damages case. No other business faces that level of threat and exposure." By extension Rozelle's power has been undercut as well. He has always courted the powers that be in the league, starting with the original NFL club owners, who remain a virtual palace guard, though their powers are slipping. "There was a time," says an owner, "when four or five guys would carry Rozelle's opinion into a room, and it would pass." Now Rozelle does a lot more listening.

Another ramification: If Davis can move his club unilaterally, then why can't he make his own TV deal? Some owners think he might try, particularly if Rozelle comes back with less money from the networks next year. Schramm says, "The biggest thing about the Davis decision is that it opens up the whole question of TV revenues."

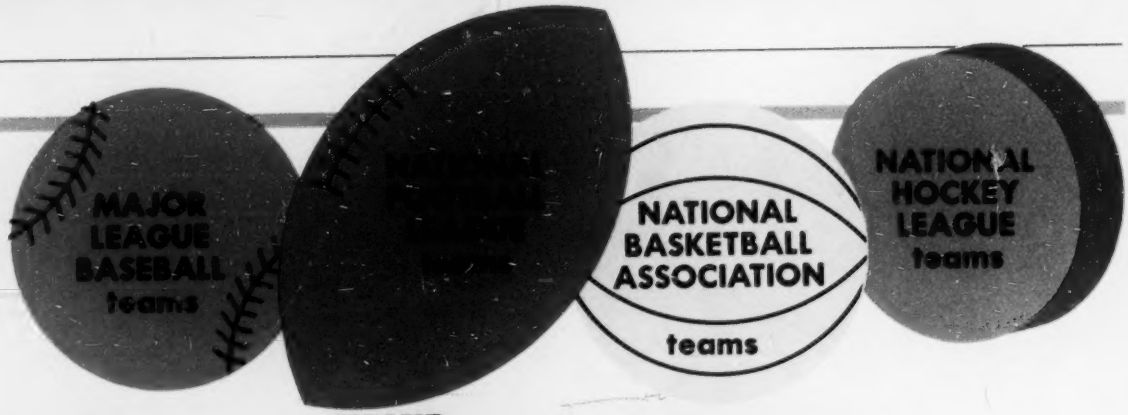
Robbie of the Dolphins, like some other new owners, thinks the league should try to stay out of court and settle its own problems, as many owners do in their other businesses. "The solution to our problems lies within ourselves," he says. He distrusts the big-fix approach of the old guard, whether it is trying for another huge TV contract or a congressional antitrust exemption.

He says he was one of the few owners who were not thrilled with the current TV contract, which worked out to $259 million a year more than the contract it replaced. He disagreed with an unwritten concession the league made to the networks under which the top teams in any year automatically play each other more often the next year. He thought that penalized winning teams unfairly. He also thought that the additional revenue the networks put up because of the scheduling arrangement would only go to the players, who were basing their contract demands on whatever the NFL got from TV. "That TV contract should have set us up for a long time on a financial basis, but we gave all the benefits away in our negotiations with the players," he says. "We would have been better off if we had kept the old TV contract at the same money."

When it comes to antitrust, the NFL is at least guilty of being too cavalier. It has lost six major antitrust suits brought against it, yet it has refused to take defensive measures to protect itself. When Davis decided to move to Los Angeles, the NFL could have written rules governing franchise moves that would have passed antitrust muster as reasonable. The NFL could also have sold its games to only two networks and sold a third package to pay-TV, syndication, or one of the budding "fourth networks"—a move it is considering belatedly today if one of the networks doesn't cough up enough money next year. So long as one network remains open, a would-be competitor cannot blame its problems on an NFL television monopoly.

THE DEEPER CAUSE of the NFL's troubles, as a few owners privately acknowledge, is hubris. The old guard has hung on to its tight control at all costs. Despite the NFL's status as a quasi-public organization blessed by Congress, the owners ran the league like an exclusive game preserve. They admitted new members rarely, and usually only after much groveling and the payment of high entrance fees. They squeezed the networks, paid players what they liked, and swiftly disciplined any renegades—and oh, yes, made a pile doing it. Those days are over. The TV ratings and stadium attendance figures say America still loves the NFL, but not as much as it once did. The courts say the league still has power, but not as much as it thought. On this new playing field, making money may never be as easy as it was. ■

What Teams Are Worth, Sport by Sport



VALUE in millions	TEAMS
[illegible]	LOS ANGELES DODGERS NEW YORK YANKEES
[illegible]	NEW YORK GIANTS NEW YORK JETS LOS ANGELES RAMS LOS ANGELES RAIDERS CHICAGO BEARS SAN FRANCISCO 49ERS DALLAS COWBOYS
[illegible]	MIAMI DOLPHINS
[illegible]	WASHINGTON REDSKINS PITTSBURGH STEELERS DENVER BRONCOS DETROIT LIONS
[illegible]	ATLANTA FALCONS NEW ENGLAND PATRIOTS HOUSTON OILERS CLEVELAND BROWNS
[illegible]	GREEN BAY PACKERS MINNESOTA VIKINGS
[illegible]	CALIFORNIA ANGELS BOSTON RED SOX DETROIT TIGERS NEW YORK METS
$51-[illegible]	ST. LOUIS CARDINALS KANSAS CITY CHIEFS SEATTLE SEAHAWKS CINCINNATI BENGALS SAN DIEGO CHARGERS NEW ORLEANS SAINTS INDIANAPOLIS COLTS BUFFALO BILLS PHILADELPHIA PHILLIES
$41-$50	BOSTON CELTICS
$36-$40	LOS ANGELES LAKERS NEW YORK KNICKS PHILADELPHIA 76ERS
	KANSAS CITY ROYALS BALTIMORE ORIOLES CHICAGO CUBS CHICAGO WHITE SOX TORONTO BLUE JAYS ST. LOUIS CARDINALS ATLANTA BRAVES MONTREAL EXPOS

VALUE in millions	TEAMS
$31-$35	CINCINNATI REDS SAN DIEGO PADRES MINNESOTA TWINS
	MONTREAL CANADIENS EDMONTON OILERS TORONTO MAPLE LEAFS CALGARY FLAMES
	HOUSTON ROCKETS CHICAGO BULLS DALLAS MAVERICKS NEW JERSEY NETS
$26-$30	MILWAUKEE BREWERS HOUSTON ASTROS OAKLAND A'S PITTSBURGH PIRATES SAN FRANCISCO GIANTS TEXAS RANGERS CLEVELAND INDIANS SEATTLE MARINERS
	QUEBEC NORDIQUES NEW YORK RANGERS
$21-$25	DETROIT PISTONS WASHINGTON BULLETS ATLANTA HAWKS MILWAUKEE BUCKS PHOENIX SUNS
$16-$20	DENVER NUGGETS SEATTLE SUPERSONICS UTAH JAZZ SAN ANTONIO SPURS INDIANA PACERS PORTLAND TRAIL BLAZERS GOLDEN STATE WARRIORS CLEVELAND CAVALIERS SACRAMENTO KINGS LOS ANGELES CLIPPERS
	DETROIT RED WINGS PHILADELPHIA FLYERS VANCOUVER CANUCKS CHICAGO BLACK HAWKS NEW YORK ISLANDERS
$10-$15	BOSTON BRUINS ST. LOUIS BLUES WINNIPEG JETS WASHINGTON CAPITALS HARTFORD WHALERS MINNESOTA NORTH STARS BUFFALO SABRES LOS ANGELES KINGS NEW JERSEY DEVILS PITTSBURGH PENGUINS

■ In the business of sports, it isn't whether you win or lose but where you play the game—and what game you play.

FORTUNE's rankings of team values are based on estimates by knowledgeable industry sources. The figures reflect the size of the team's home market, management's success in exploiting the market, competition from any other team in the same sport, and least important, the team's win-loss record. The value of stadium deals and real estate is not included. Baseball and football lead the leagues in value; hockey is in the cellar.

Within each price range the teams are ranked by value. Ranges are wide for the best teams because prospective buyers might throw economics aside in bidding for these legendary franchises. As an industry insider explains, "How do you put a value on the magic of the Boston Celtics, the Los Angeles Dodgers, or the Chicago Bears?" — T.M.

PHOTO BY ROBERTO BOSIAN; CONSTRUCTION BY NICHOLAS NIXON

- The 50 Largest Industrial Corporations in the World 170
- The World Economy in Charts 172
- The 500 Largest Industrial Corporations Outside the U.S. 180
- Perspectives on the International 500 200
- Alphabetical Index to the International 500 204
- The 100 Largest Commercial Banks Outside the U.S. 206
- Perspectives on the Banks and Bank Index 210

THE WORLD'S LARGEST INDUSTRIAL CORPORATIONS

The year disappointed many among the top 50 companies: Their growth slowed and profits shrank. Oil and steel had another uninspiring round. Overseas automakers outstepped the American Big Three in net income gains. And look what happened to poor old ITT.

FOR THE WORLD'S biggest companies, 1985 ranked as barely so-so. Combined sales of the top 50 industrial corporations, measured in dollars, rose only 3% from the previous year, while net income dropped 12%. A sputtering U.S. economy, which grew less than half as fast in 1985 as it had in 1984, gets much of the blame for the lackluster performance of this group of giants. Economists generally look for somewhat better growth worldwide this year than last.

Twenty-one of the top 50 companies on FORTUNE's list—including eight of the ten biggest—are American. Most of the non-U.S. corporations depend heavily on sales to Americans. While the U.S. imported more goods last year than the year before, the growth rate slowed. A decline in oil imports by industrialized nations further damped world trade, with dire effects on some oil producers. A dramatic result can be seen in the slide of Kuwait Petroleum, No. 37 in 1984, to No. 48; its revenues declined 9%. Revenues of Nippon Oil also fell 9%, and those of Petróleos de Venezuela, 13%—enough to drive both companies from the top 50. On last year's list Nippon was No. 38 and Petróleos de Venezuela was No. 45.

For the oil titans that remained on the list, combined revenues were up less than 1%, while profits fell 9%. Had Texaco not posted an extraordinary 300% gain through its acquisition of Getty Oil, the oil group's combined earnings would have been off 12%. Among other American oil producers on the list, only Chevron reported significantly higher sales, and only Occidental boosted profits. Tenneco's earnings fell 73%.

Auto companies outside the U.S. fared better last year than the American Big Three. Overseas automakers averaged a 10% gain in sales. South Korean newcomer Hyundai, best known to Americans as the maker of the low-priced subcompact Excel, reported a 36.5% increase. Not introduced in the U.S. until this year—too late to affect 1985 figures—the Excel has been such a hit with American consumers that it has already broken the U.S. record for first-year sales of an imported car.

The Big Three's sales rose 9%. After an 18% increase in 1984, Ford's sales went up less than 1% last year. But General Motors reported a gain of 15%, reflecting in part the acquisition of two big companies—Hughes Aircraft and Electronic Data Systems, a computer services firm. GM squeezed out Exxon, which had a 5% sales decline, as the world's largest industrial corporation.

In profits, automakers outside the U.S. showed the way. They pushed up earnings 28%; Volkswagen's went up 163%, from a low 1984 base. Detroit's net income slid 17%. The Big Three were victims, in a way, of past accounting triumphs; their 1984 earnings were inflated by tax-loss carry-forwards that had been mostly used up by 1985.

This is the first time since FORTUNE started ranking the world's biggest industrial companies in 1974 that a Korean company has appeared among the top 50, and now there are two: Hyundai and Samsung, South Korea's largest maker of consumer electronics products. Both companies have been growing at a spectacular rate for several years. Since 1980 Hyundai's sales have increased 153%; Samsung's, 274%.

Last year Samsung got a boost as South Korea's currency gained less against the dollar than did the Japanese yen. That enabled the company to undersell Japanese competitors in the U.S. Low labor costs also helped Samsung grow. South Korea's exports of consumer electronics products to the U.S. shrank 3% last year, but Samsung and other Korean companies pushed up revenues by subcontracting with companies in Japan and elsewhere, where labor costs are higher than in South Korea.

The biggest jump in the rankings was Nestlé's, from No. 49 to No. 32. Behind that feat: a 35.6% increase in sales, largely produced by Nestlé's acquisition of Carnation Co., a U.S. food company. Another big jump was taken by Boeing, which flew onto the list on the wings of demand for 737 and 747 jetliners; its sales gained 32%.

Three companies on this year's list lost money, two more than last year. The loser then was ENI, the Italian state-owned oil company, which got back into the black through cost cutting and stepped-up marketing; 1985 net income was the highest in the company's 30-year history. The money losers this time around are in two troubled industries—oil and steel. IRI is Italy's state-owned steel company. Atlantic Richfield took extensive write-offs as it restructured in 1985. It sold most of its East Coast refining and marketing operations and unloaded many metal and mineral businesses. The other loser, VÖEST-Alpine, Austria's state-owned steel company, a newcomer to the top 50, got burned in unsuccessful spot-oil speculations (see page 180).

One departure from the list is worth taking special note of. In 1974 ITT ranked as the 11th-largest industrial corporation in the world. Last year it was No. 44. This year, after a sales decline of 10% in 1985, ITT disappears from the top 50.

— Alan Farnham and Carrie Gottlieb

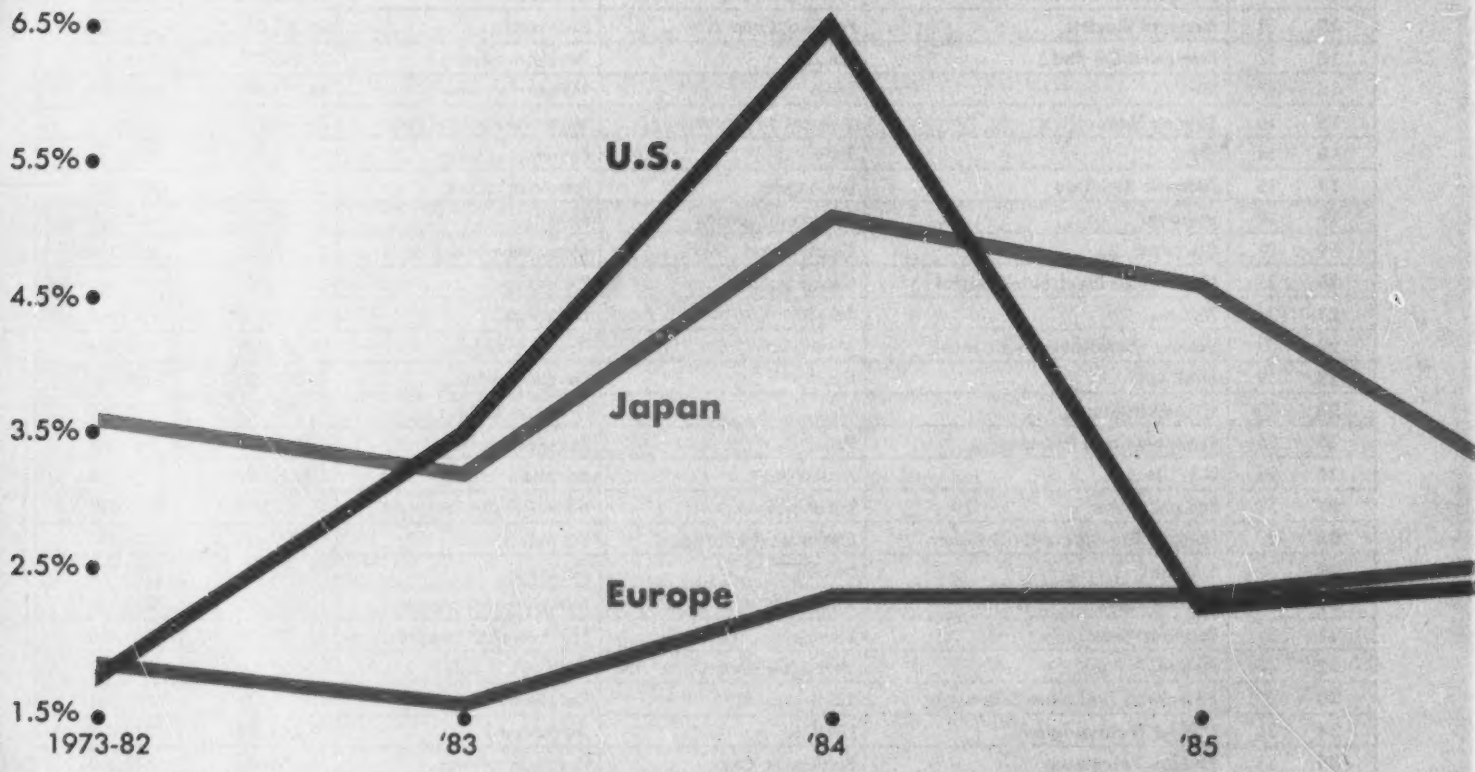
RANK '85	RANK '84	COMPANY	HEADQUARTERS	INDUSTRY	SALES $000	NET INCOME $000
1	3	General Motors	Detroit	Motor vehicles and parts	96,371,700	3,999,000
2	1	Exxon	New York	Petroleum refining	86,673,000	4,870,000
3	2	Royal Dutch/Shell Group	The Hague/London	Petroleum refining	81,743,514	3,928,208
4	4	Mobil	New York	Petroleum refining	55,960,000	1,040,000
5	6	British Petroleum	London	Petroleum refining	53,100,765	866,745
6	5	Ford Motor	Dearborn, Mich.	Motor vehicles and parts	52,774,400	2,515,400
7	8	International Business Machines	Armonk, N.Y.	Computers, office equip.	50,056,000	6,555,000
8	7	Texaco	Harrison, N.Y.	Petroleum refining	46,297,000	1,233,000
9	13	Chevron	San Francisco	Petroleum refining	41,741,905	1,547,360
10	10	American Tel. & Tel.	New York	Electronics	34,909,500	1,556,800
11	9	E.I. du Pont de Nemours	Wilmington, Del.	Chemicals	29,483,000	1,118,000
12	11	General Electric	Fairfield, Conn.	Electronics	28,285,000	2,336,000
13	12	Standard Oil (Ind.)	Chicago	Petroleum refining	27,215,000	1,953,000
14	17	IRI	Rome	Metals	26,758,000	(664,000)
15	16	Toyota Motor	Toyota City (Japan)	Motor vehicles and parts	26,040,288	1,624,184
16	14	ENI	Rome	Petroleum refining	24,460,958	427,180
17	15	Atlantic Richfield	Los Angeles	Petroleum refining	22,357,000	(202,000)
18	18	Unilever	Rotterdam/London	Food	21,627,167	668,521
19	22	Chrysler	Highland Park, Mich.	Motor vehicles and parts	21,255,500	1,635,200
20	21	Matsushita Electric Industrial	Osaka (Japan)	Electronics	20,749,191	1,012,044
21	24	Hitachi	Tokyo	Electronics	20,525,413	860,448
22	23	Pemex (Petróleos Mexicanos)	Mexico City	Petroleum refining	20,380,539	6,178
23	19	Shell Oil	Houston	Petroleum refining	20,309,000	1,650,000
24	20	Elf-Aquitaine	Paris	Petroleum refining	20,105,843	708,069
25	26	Française des Pétroles	Paris	Petroleum refining	19,267,668	163,940
26	25	U.S. Steel	Pittsburgh	Petroleum refining	18,429,000	409,000
27	28	Nissan Motor	Yokohama (Japan)	Motor vehicles and parts	18,226,032	332,240
28	27	Philips' Gloeilampenfabrieken	Eindhoven (Netherlands)	Electronics	18,079,488	276,710
29	30	Siemens	Munich	Electronics	17,833,563	490,555
30	32	Volkswagen	Wolfsburg (W. Germany)	Motor vehicles and parts	17,831,490	225,930
31	35	Daimler-Benz	Stuttgart	Motor vehicles and parts	17,799,929	589,130
32	49	Nestlé	Vevey (Switzerland)	Food	17,158,824	711,141
33	29	Petrobrás (Petróleo Brasileiro)	Rio de Janeiro	Petroleum refining	16,046,448	1,790,566
34	31	United Technologies	Hartford	Aerospace	15,748,674	312,724
35	33	Phillips Petroleum	Bartlesville, Okla.	Petroleum refining	15,676,000	418,000
36	36	Bayer	Leverkusen (W. Germany)	Chemicals	15,598,199	427,662
37	39	Tenneco	Houston	Petroleum refining	15,400,000	172,000
38	42	BASF	Ludwigshafen-am-Rhein	Chemicals	15,071,964	338,793
39	34	Occidental Petroleum	Los Angeles	Mining, crude-oil product.	14,534,400	696,000
40	40	Hoechst	Frankfurt	Chemicals	14,509,874	407,529
41	46	Fiat	Turin (Italy)	Motor vehicles and parts	14,193,244	694,423
42	•	Samsung	Seoul	Electronics	14,193,095	113,258
43	43	Mitsubishi Heavy Industries	Tokyo	Motor vehicles and parts	14,111,863	164,628
44	•	Hyundai	Seoul	Transportation equip.	14,024,594	79,601
45	•	General Motors of Canada	Oshawa (Canada)	Motor vehicles and parts	13,905,168	521,975
46	48	Imperial Chemical Industries	London	Chemicals	13,895,128	663,338
47	41	Sun	Radnor, Pa.	Petroleum refining	13,769,000	527,000
48	37	Kuwait Petroleum	Safat (Kuwait)	Petroleum refining	13,640,512	693,200
49	•	Boeing	Seattle	Aerospace	13,636,000	566,000
50	•	VÖEST-Alpine	Linz (Austria)	Metals	13,632,904	(189,247)
		TOTALS			1,335,392,744	52,840,433

☐ U.S. companies ☐ Non-U.S. companies • Not on last year's list.

STRUGGLING TO FIND

Real GNP growth

Percent change

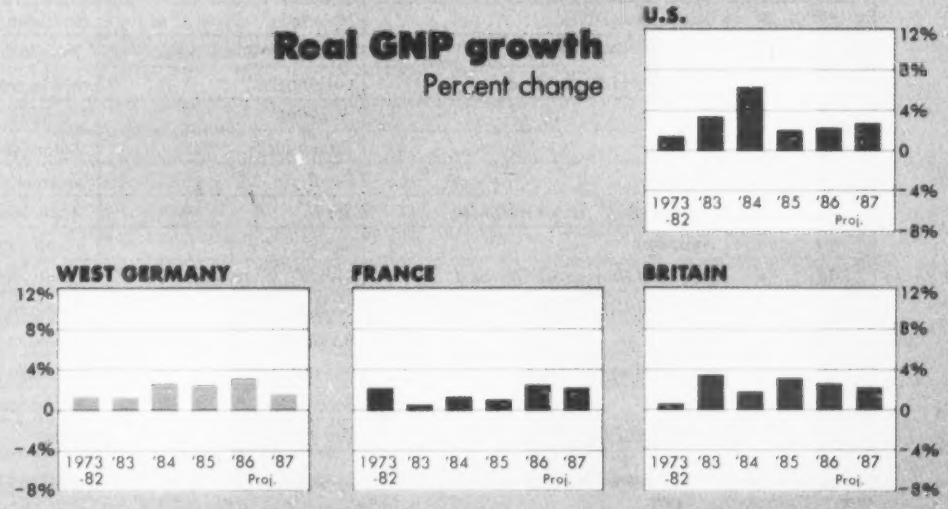


Half Speed Ahead for the Expansion

■ Unspectacular but steady growth will keep the economies of the major industrial nations on an even keel through the end of next year. Data Resources Inc. projects that real GNP in the U.S. will rise 2.4% in 1986 and 2.9% next year, with demand for domestic goods offsetting slower growth for Japanese imports. Largely as a result of lower export sales, Japan's growth will slow to 2.9% this year; West Germany will manage an increase of 3.4%. Lower oil prices will help oil importers such as Brazil. But they will be catastrophic for such oil exporters as Mexico. Two of the so-called little dragons of Asia, South Korea and Taiwan, will continue to nicely outpace the major industrial nations.

Real GNP growth

Percent change



DATA RESOURCES INC. SUPPLIED ALL FIGURES EXCEPT THOSE FOR UNIT LABOR COSTS, WHICH WERE PROVIDED BY THE BUREAU OF LABOR STATISTICS

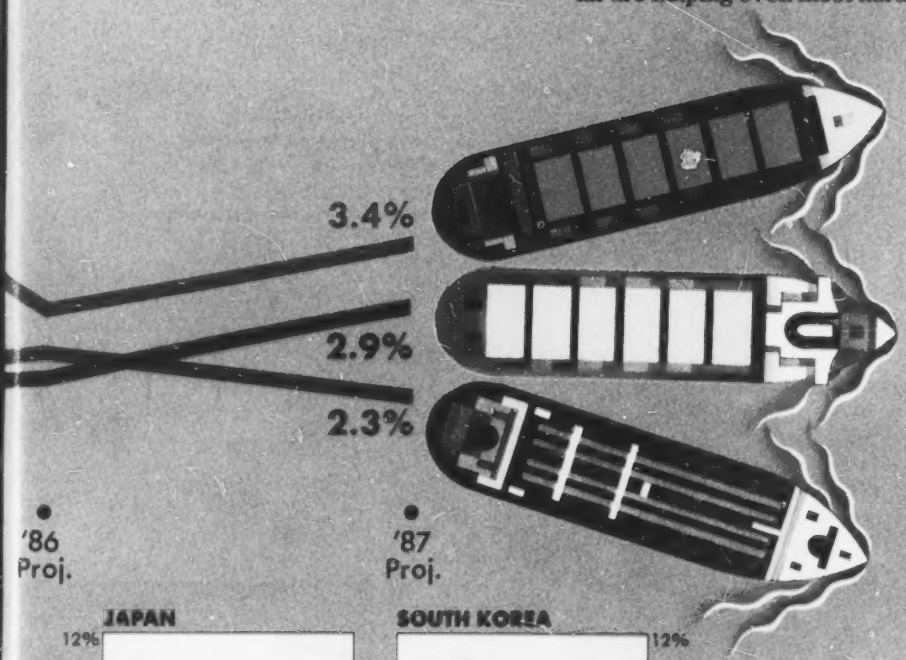
A COMMON COURSE

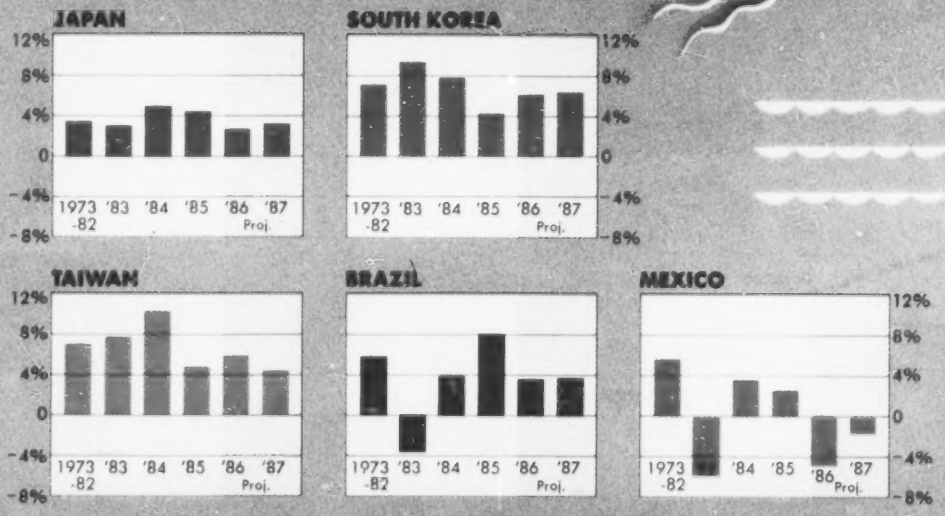
BY ALL APPEARANCES the scary era of economic gloom and uncertainty that stretched from the stagflationary 1970s into the recessions of the early 1980s is over. Growth rates for the major industrial nations have been driven toward remarkably similar paces by cheaper oil, lower inflation, and a weaker dollar. The felicitous combination has conferred a period of relatively balanced, stable growth on the world economy. Lower interest rates and the fallen dollar are helping even most hard-pressed developing countries, since the combination reduces debt-service costs. But they are not solace enough for such oil exporters as Mexico.

Harmony does not spring automatically from stability. Trade imbalances provide the greatest source of friction, and the lower dollar has done little to correct them. In Japan, West Germany, Korea, and Taiwan, much of the economic growth will continue to come from exports. U.S. imports will remain high, keeping the current accounts deficit large. The much-ballyhooed cooperation among industrial nations has not accomplished much. The coordinated assault on the dollar last September by the so-called Group of Five (the U.S., Japan, West Germany, Britain, and France) was dramatic, but the dollar was almost certainly due for a tumble anyway.

Enlarged to seven by the inclusion of Italy and Canada, the group agreed at the Tokyo economic summit in May that members would try to manage their currencies in concert and coordinate the fiscal and monetary policies that shape exchange rates. But individual differences have kept the countries pulling in different directions. Urged by the U.S. to stoke their domestic economies, the West Germans and the Japanese resist for fear of re-igniting inflation; the Germans pointedly remind the U.S. of its towering budget deficit.

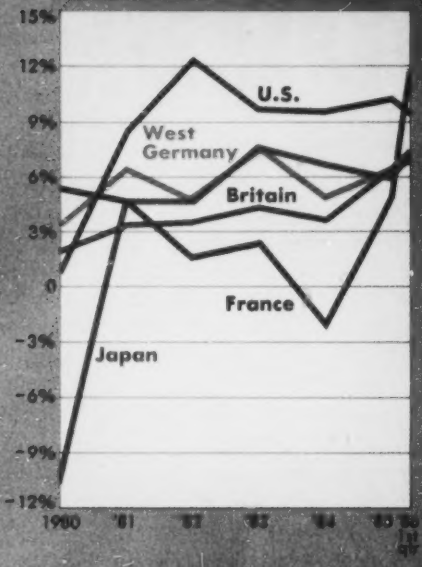
Mounting tensions might yet compel the recalcitrants to put aside these disputes and agree on policy changes that would bring growth rates for domestic demand more closely into line. If trade flows remain lopsided long enough, they could precipitate a full-scale trade war. With their economies growing respectably at rates that are not wildly divergent, the major industrial nations have room to maneuver. They may never get a more propitious time to make a genuine stab at cooperation. **— Monci Jo Williams**





RESEARCH ASSOCIATE: ROSALIND KLEIN BERLIN DESIGN: LEE ANN JAFFEE ILLUSTRATIONS: NICHOLAS GAETANO

Real interest rates

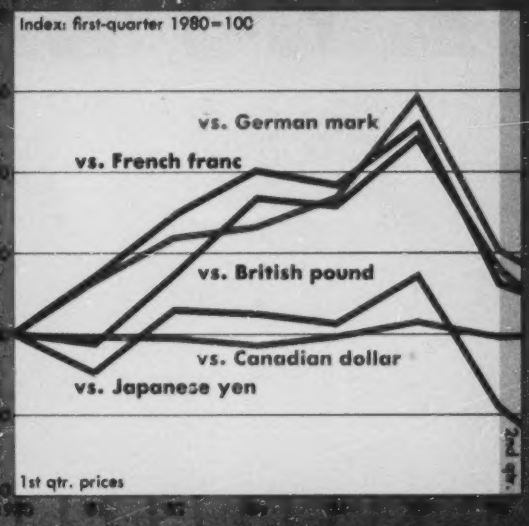


Money Still Costs a Lot

■ The nominal interest rates quoted around the world have been heading lower, helped by plunging oil prices and coordinated discount-rate cuts by the major industrial nations. But real rates are still close to postwar highs. (The inflation-adjusted prime rates plotted here are annual averages through 1985 and a first-quarter rate for 1986.) France, battling inflation, has been keeping money tight and rates high.

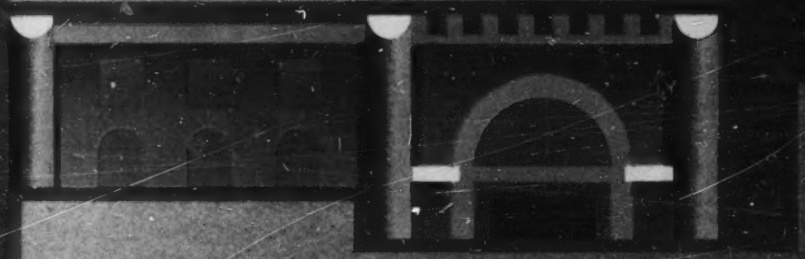
The dollar

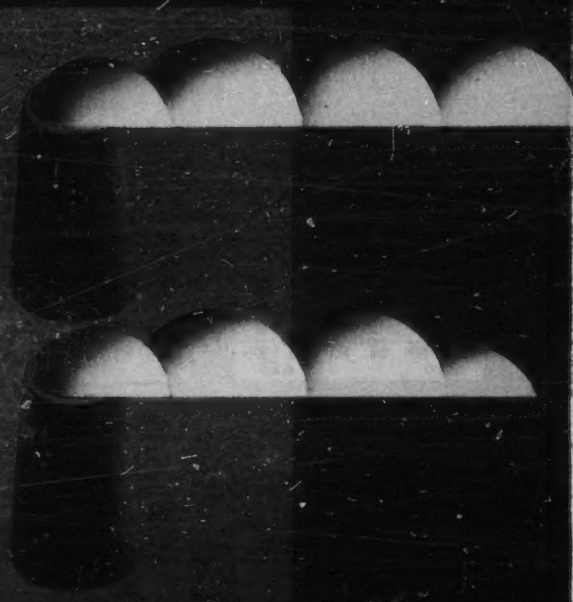
Against five other currencies



The Dollar's Uneven Decline

■ Since it peaked in February 1985, the dollar has lost the most ground against the yen. But the decline has yet to reshape world trade patterns, partly because the dollar has held steady or strengthened against several currencies. The Canadian dollar is the most notable of these, since Canada is the U.S.'s largest trading partner.



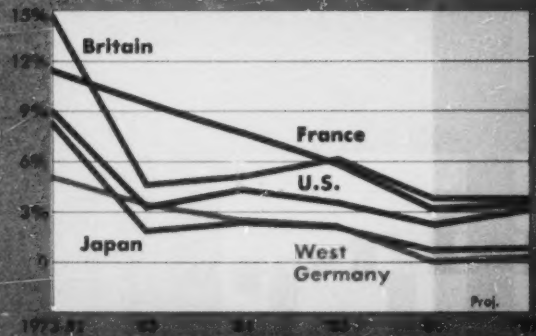


Leaving the Nightmare Behind

■ The horrific inflation of the 1970s is fading into memory. Inflation in the major industrial nations will bottom out in 1986; in the U.S. it will drop to 2.2%, its lowest since 1965. World markets for oil and other commodities will remain weak, and wage settlements modest. But the dollar's decline will tend to push up prices in the U.S. late this year.

Inflation

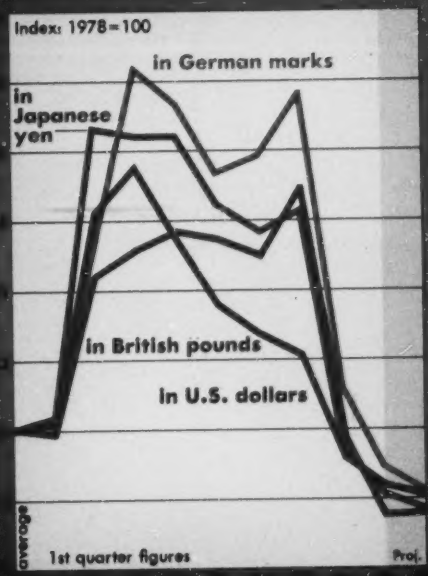
Percent change in consumer prices

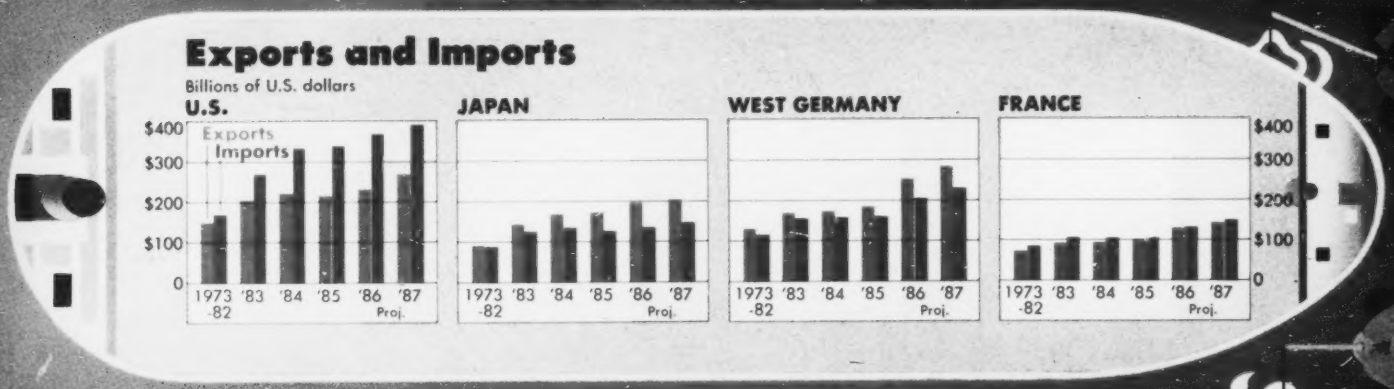


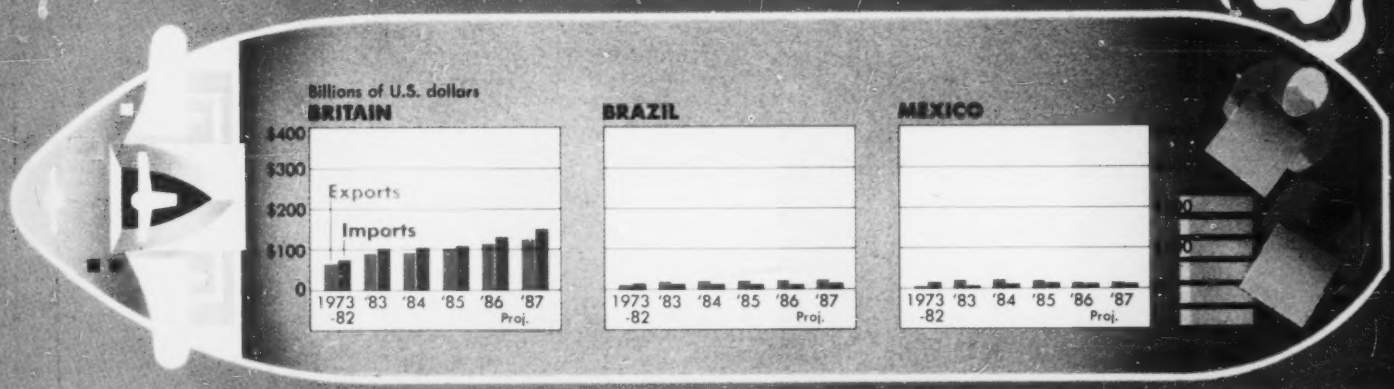
Cheaper Oil's Unequal Blessings

■ Unlike most economic surprises, the drop in oil prices was good news. But the benefits have not been spread equally. Because oil is priced in dollars, the U.S.'s trading partners have enjoyed a much steeper relative cut as the dollar weakened. The chart projection is based on the contract price of oil averaging about $16 per barrel through 1987.

Oil prices
Adjusted for inflation





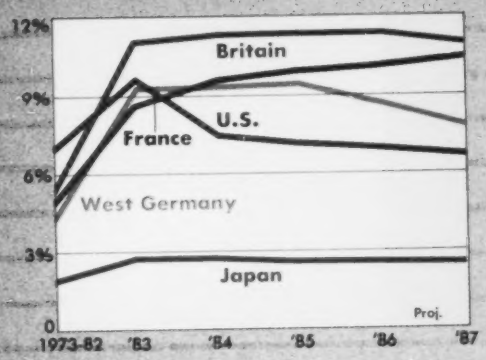


The Trade Imbalance Goes On and On

■ Continuing its role as the world's champion consumer, the U.S. will import far more than it exports through next year. The U.S. trade deficit and the Japanese surplus will each peak in 1986, but large imbalances will remain. Even Brazil and Mexico will enjoy modest trade surpluses, thanks largely to the U.S. market. The volume of goods imported by the U.S. will rise only 1% next year, but the weaker dollar will push their cost up 5.5%. Japanese exports will lose a small share of world markets to South Korea and Taiwan because of the strong yen and the relative increase in Japan's unit labor costs.

Unemployment rates

Percent of total labor force

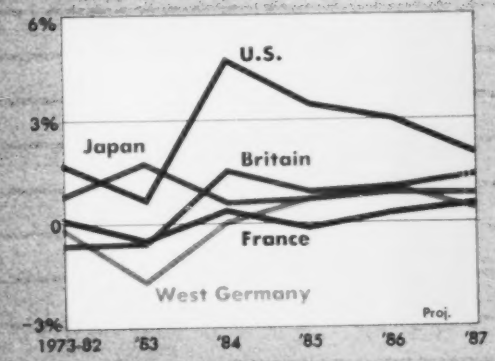


A Dash of Hope for the Jobless

■ Unemployment will fall in three of the five industrial countries through 1987. In France high minimum wages are making it hard for youths to find jobs. Japanese unemployment will remain near the historic high because of weak domestic demand and faster growth in the labor force. Even so, the Japanese rate remains the envy of the world.

Employment growth

Percent change

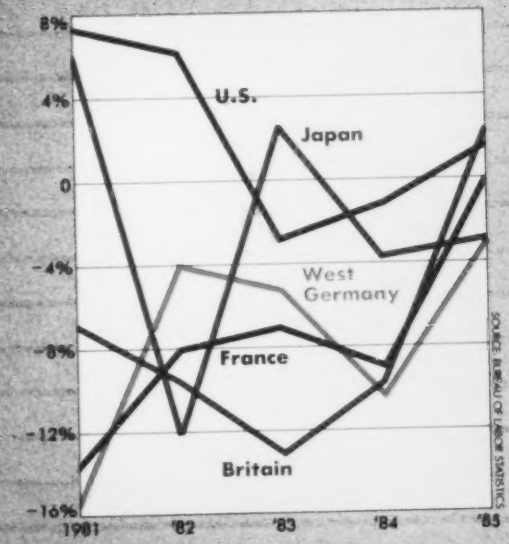


Cranking Up the Job Machine

■ In a profound change of course, the European recovery is creating jobs faster than the work force is growing, with Britain and West Germany leading the way. Common Market companies are starting to add plant and equipment to boost capacity rather than to replace workers. The celebrated U.S. job-creating machine has been slowing along with economic growth.

Unit labor costs

In U.S. dollars, percent change

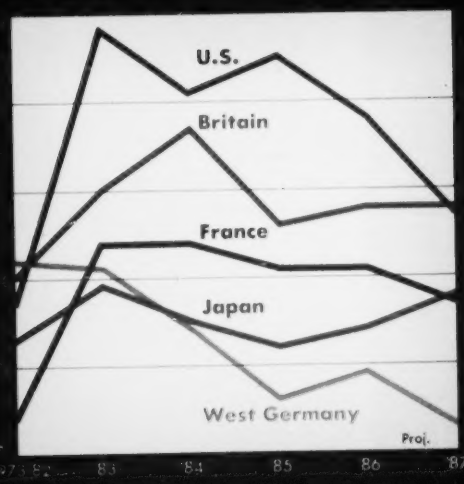


A Smaller Spread for Labor Costs

■ Nowhere does the dollar's decline show more clearly than in changes in unit labor costs for the U.S. and its major trading partners. Costs have been rising in the U.S. despite modest wage settlements because output and manufacturing productivity growth have slackened. But the dollar's plunge since early 1985 has pushed the unit cost increases in other countries up more rapidly, dramatically reducing the disparity between the U.S. rate and those of its trading partners.

Government deficits

Percent of GNP



The Global War on Profligacy

■ Still the big spender of the industrial world, the U.S. is nonetheless making headway against its epic budget deficits. Whether or not the U.S. meets the targets that are the basis of this forecast—$181 billion in calendar 1986 and $144 billion in 1987—the country's deficit is headed down as a percent of GNP. West Germany, the most parsimonious of the major industrial nations, hopes to get its deficit down to under 1% of GNP in 1987. Japan's deficit is rising because of loans to local governments, government-sponsored institutions, and the like. F

THE INTERNATIONAL 500

THE FORTUNE DIRECTORY OF THE LARGEST INDUSTRIAL CORPORATIONS OUTSIDE THE U.S.

In a ho-hum year, the International 500 list has surprises. Fewer Japanese companies appear, and they can't keep up with the South Koreans. Still, some things are predictable: South Africa, IBM's overseas subsidiaries, and state-owned companies.

THE International 500 achieved a second year of rising sales and profits in 1985, but not by much. Sales measured in dollars inched up 3.3%, vs. 7% in 1984. Profits increased only 9%, a puny showing compared with the previous year's 65%. Because of the weakening U.S. dollar, many companies seeking sales in the American market were forced to trim profit margins.

Surprising changes show up in the rankings. Japanese companies, which in recent years joined the list like recruits in wartime, lost three spots this year, but retain 147 (still the most for any nation). Offsetting the arrival of Toyo Tire & Rubber, No. 491, and Toyo Sash, No. 494, was the departure of five Japanese enterprises whose revenues fell short. South Korea added no companies, but the combined sales increase (17%) of the country's ten International 500 corporations outstripped that of the Japanese (5%).

South African companies paid the piper as the political and social costs of the nation's apartheid policy began to produce long-forecast economic consequences. Sales of the eight South African companies on FORTUNE's list declined 17% from 1984. Their profits dropped 36%.

Confirming the world economy's high-tech drift, the revenues of computer companies rose faster than any other industry group's. Computer sales in the U.S. dipped last year, but demand stayed strong in Europe, Asia, and Latin America. West Germany's Nixdorf Computer increased sales 16% and skipped up 44 places, to No. 364. Among other high jumpers were IBM subsidiaries in Japan, West Germany, Britain, and France.

Fifty-two International 500 companies lost money, eight fewer than in 1984. As usual, state-owned enterprises were well represented on the dishonor roll. The biggest loser was the French government's automaker, Renault, No. 30, which pitched $1.2 billion down the drain—$200 million less than in 1984. France's privately held auto company, Peugeot, No. 38, turned a $39-million 1984 loss into a $604-million profit.

For investors the stars were Sweden's AGA and Italy's Fiat. For the 12 months ended May 31, AGA's total return to investors (stock price appreciation plus dividends) in U.S. dollars was a pocket-filling 471%. The chemical manufacturer increased net income 26% and pays out a third of profits as dividends. Fiat's total return, 440%, reflected gains in productivity. Britain's Hanson Trust provided the best five-year return, averaging 136% annually, compounded. The fast-expanding conglomerate boasts that earnings have grown at an annual average rate of 30% over 21 years. The company that investors had the least reason to love: Canada's Dome Petroleum, which went deeply into debt to finance acquisitions just as oil prices dived.

It seems easier for a state-owned company to grow big than to make money. Austria's steelmaker VÖEST-Alpine, No. 29, increased revenues 261% in 1985 over 1984 and leaped 101 places. But the boost came from risky dabblings in the spot-oil market, leading to a loss of $189 million and a major scandal. The company's chief executive and entire management board lost their jobs. The moral may be that not even a state will support bad business judgments indefinitely.

— Alan Farnham and Carrie Gottlieb

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCK-HOLDERS' EQUITY $000	EMPLOY-EES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
1	1	**Royal Dutch/Shell Group**	Neth./Britain	81,743,514	74,920,360	3,928,208	33,863,575	142,000	9.09	26.84	44.83	26.62	29
2	2	**British Petroleum**	Britain	53,100,765	43,589,870	866,745	14,317,060	127,940	15.60	15.59	33.57	7.97	29
3	5	**IRI**[1]	Italy	26,758,000	N.A.	(664,000)	N.A.	483,714	—	—	—	—	33
4	4	**Toyota Motor**[2]	Japan	26,040,288	17,227,126	1,624,184	10,621,800	79,901	29.58	20.91	86.95	27.06	40
5	3	**ENI**[1]	Italy	24,460,958	26,842,566	427,180	4,828,717	129,268	—	—	—	—	29
6	6	**Unilever**	Neth./Britain	21,627,167	13,474,625	668,521	4,888,435	304,000	47.30	29.90	70.21	21.32	20
7	8	**Matsushita Electric Industrial**[3]	Japan	20,749,191	21,451,841	1,012,044	10,130,401	133,963	7.42	5.97	54.86	11.40	36
8	10	**Hitachi**[4]	Japan	20,525,413	20,214,653	860,448	6,523,092	164,951	23.12	6.02	77.81	11.49	36
9	9	**Pemex (Petróleos Mexicanos)**[1]	Mexico	20,380,539[6]	36,633,436[6]	6,178[5]	18,880,864[6]	183,179[6]	—	—	—	—	29
10	7	**Elf-Aquitaine**[1]	France	20,105,843[6]	22,382,551[6]	708,069[6]	5,918,615[6]	73,000[6]	—	—	—	—	29
11	11	**Française des Pétroles**[1]	France	19,267,668[6]	12,318,881[6]	163,940[6]	2,977,955[6]	44,557[6]	—	—	—	—	29
12	13	**Nissan Motor**[4]	Japan	18,226,032	14,501,737	332,240	5,352,371	108,500	(7.17)	1.69	33.96	6.83	40
13	12	**Philips' Gloeilampenfabrieken**	Netherlands	18,079,488	19,202,251	276,710	5,864,561	345,600	4.78	31.77	39.10	31.54	36
14	15	**Siemens**[7]	W. Germany	17,833,563	19,462,811	490,555	4,697,100	348,000	12.73	27.62	49.40	27.66	36
15	16	**Volkswagen**	W. Germany	17,831,490	14,251,964	225,930	2,857,036	259,047	133.40	31.74	209.33	31.78	40
16	17	**Daimler-Benz**	W. Germany	17,799,929	14,622,167	589,130	3,775,171	231,077	70.09	49.00	125.42	49.05	40
17	28	**Nestlé**	Switzerland	17,158,824[6]	12,227,184[6]	711,141[6]	5,214,078[6]	154,769[6]	38.56	24.73	86.02	26.49	20
18	14	**Petrobrás (Petróleo Brasileiro)**[1]	Brazil	16,046,448	12,858,595	1,790,566	5,576,909	61,421	—	—	—	—	29
19	18	**Bayer**	W. Germany	15,598,199[6]	12,404,526[6]	427,662[6]	4,089,806[6]	176,080[6]	38.64	26.08	83.75	26.13	28
20	22	**BASF**	W. Germany	15,071,964[6]	11,584,983[6]	338,793[6]	4,336,085[6]	130,173[6]	37.06	23.21	81.66	23.25	28
21	21	**Hoechst**	W. Germany	14,509,874[6]	11,184,839[6]	407,529[6]	3,126,972[6]	180,561[6]	31.69	26.50	74.52	26.54	28
22	25	**Fiat**	Italy	14,193,244	18,958,633	694,423	4,379,496	226,222	336.08	134.61	439.64	119.94	40
23	38	**Samsung**	South Korea	14,193,095	8,221,531	113,258	998,875	129,039	—	—	—	—	36
24	23	**Mitsubishi Heavy Industries**[4]	Japan	14,111,863	14,378,590	164,628	1,540,052	90,300	33.15	7.43	91.87	13.02	40
25	39	**Hyundai**	South Korea	14,024,594	8,493,891	79,601	1,162,416	156,000	—	—	—	—	37
26	29	**General Motors of Canada**	Canada	13,905,168[8]	3,114,234	521,975	1,594,584	48,106	16.37	15.40	16.20	12.25	40
27	27	**Imperial Chemical Industries**	Britain	13,895,128	12,018,065	663,338	5,050,275	118,600	21.20	32.20	40.12	23.46	28
28	19	**Kuwait Petroleum**[1,2]	Kuwait	13,640,512	18,883,540	693,200	12,853,554	15,044	—	—	—	—	29
29	130	**VÖEST-Alpine**	Austria	13,632,904	6,693,486	(189,247)	283,282	69,917	—	—	—	—	33
30	30	**Renault**[1]	France	13,593,545[6]	14,034,898[6]	(1,215,915)[6]	(981,019)[6]	196,414[6]	—	—	—	—	40
31	35	**Toshiba**[4]	Japan	13,502,659	12,405,968	352,588	2,182,940	114,000	16.82	5.99	68.86	11.45	36
32	20	**Nippon Oil**[4]	Japan	13,477,574	6,338,558	50,772	1,293,845	10,300	—	—	—	—	29
33	31	**Nippon Steel**[4]	Japan	12,534,517	15,410,287	207,080	2,696,291	72,081	16.42	(1.57)	66.67	3.46	33
34	24	**Petróleos de Venezuela**[1]	Venezuela	11,846,756	18,132,045	1,478,281	15,402,221	43,131	—	—	—	—	29
35	•	**Pertamina**[1]	Indonesia	11,579,413	N.A.	616,788	N.A.	N.A.	—	—	—	—	29
36	26	**BAT Industries**	Britain	11,397,244	12,773,800	829,173	5,306,040	197,960	26.42	95.33	46.11	82.50	21
37	32	**Thyssen**[7]	W. Germany	11,357,871	7,119,221	146,699	1,154,873	128,372	59.73	20.57	111.67	20.60	33
38	37	**Peugeot**	France	11,162,493	9,376,623	604,341	890,043	176,800	161.37	48.80	231.52	40.49	40
39	117	**George Weston Holdings**[4]	Britain	11,149,184	3,233,870	126,687	1,025,880	56,000	—	—	—	—	20
40	34	**Canadian Pacific**	Canada	11,011,127	15,334,949	180,626	4,405,923	123,400	(11.49)	4.03	(11.61)	1.19	33
41	41	**Honda Motor**[9]	Japan	10,752,813	5,973,667	532,060	2,806,101	50,609	(11.11)	6.14	28.29	11.58	40
42	36	**Volvo**	Sweden	10,014,445	8,479,604	520,264	2,350,363	67,857	102.23	101.81	144.23	86.16	40
43	43	**Lucky-Goldstar**	South Korea	9,859,920	5,958,868	78,501	1,090,084	62,500	—	—	—	—	29
44	45	**Petrofina**	Belgium	9,834,332	7,198,541	287,478	1,667,138	22,700	31.18	—	71.41	—	29
45	42	**Ford Motor of Canada**	Canada	9,775,557	2,125,635	145,690	768,395	29,700	9.06	28.53	8.90	25.03	40
46	40	**Idemitsu Kosan**[4]	Japan	9,439,451[5]	6,859,045[5]	20,730[5]	157,507[5]	5,921[5]	—	—	—	—	29
47	50	**NEC**[4]	Japan	9,246,225	10,801,598	274,872	1,901,494	90,102	58.58	25.89	128.99	32.34	36
48	46	**CGE (Cie. Générale d'Électricité)**[1]	France	8,741,903	13,990,916	84,752	981,299	153,800	—	—	—	—	36
49	48	**Daewoo**	South Korea	8,698,021	8,985,506	53,587	842,915	92,745	—	—	—	—	45
50	33	**Esso UK**	Britain	8,645,944[8]	6,261,329	820,752	1,343,994	5,803	—	—	—	—	29

THE DEFINITIONS AND CONCEPTS UNDERLYING THE FIGURES IN THIS DIRECTORY ARE EXPLAINED ON PAGE 203.

• Not on last year's list
N.A. Not available
[1] Government-owned.
[2] Figures are for fiscal year ended June 30, 1985.
[3] Figures are for fiscal year ended November 20, 1985.
[4] Figures are for fiscal year ended March 31, 1985.
[5] Parent only.
[6] Also includes certain subsidiaries owned 50% or less, either fully or on a prorated basis.
[7] Figures are for fiscal year ended September 30, 1985.
[8] Revenues include certain sales to foreign affiliates of the U.S. parent company.
[9] Figures are for fiscal year ended February 28, 1985.

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCK-HOLDERS' EQUITY $000	EMPLOY-EES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUST CODE
51	44	**Indian Oil**[1,4]	India	8,279,652	2,462,375	70,615	679,212	31,081	–	–	–	–	29
52	53	**Mitsubishi Electric**[4]	Japan	8,200,629	7,234,498	192,570	1,538,339	68,745	(5.03)	2.56	37.20	7.88	36
53	49	**Ruhrkohle**	W. Germany	7,646,883	6,950,534	38,765	411,902	133,157	–	–	–	–	10
54	58	**Saint-Gobain**[1]	France	7,555,704[6]	10,149,051[6]	81,803[6]	1,278,188[6]	148,922[6]	–	–	–	–	32
55	51	**Ciba-Geigy**	Switzerland	7,404,403	10,954,854	598,171	6,785,437	81,012	36.53	31.36	83.29	33.21	28
56	56	**Montedison**	Italy	7,400,890	8,725,420	59,178	958,034	69,653	135.59	–	193.24	–	28
57	57	**DSM**[1]	Netherlands	7,265,333[6]	4,856,655[6]	121,094[6]	1,030,434[6]	26,615[6]	–	–	–	–	28
58	64	**Robert Bosch**	W. Germany	7,207,950	6,177,692	124,862	1,686,327	142,923	–	–	–	–	40
59	47	**Rio Tinto-Zinc**	Britain	6,880,582	10,207,480	271,036	2,538,576	75,197	15.85	9.75	33.94	2.49	10
60	121	**Showa Shell Sekiyu**[10]	Japan	6,819,821[5]	4,760,524[5]	10,937[5]	227,561[5]	3,157[5]	–	–	–	–	29
61	61	**Thomson**[1]	France	6,682,916[6]	9,964,569[6]	14,023[6]	672,794[6]	107,000[6]	–	–	–	–	36
62	67	**Mazda Motor**[11]	Japan	6,680,968	4,432,569	160,151	1,422,969	29,148	–	–	–	–	40
63	116	**Türkiye Petrolleri**[1]	Turkey	6,643,699	6,046,181	456,145	1,252,817	16,670	–	–	–	–	29
64	54	**General Electric**	Britain	6,556,571	5,990,892	520,809	2,953,298	165,593	14.77	56.82	32.68	46.45	36
65	55	**Veba Oel**	W. Germany	6,475,507[6]	3,040,985[6]	(20,302)[6]	521,093[6]	15,975[6]	51.62	23.96	100.94	24.00	29
66	68	**Esso (Germany)**	W. Germany	6,439,953[6]	1,880,064	64,509	532,693	3,670	–	–	–	–	29
67	62	**Sunkyong**	South Korea	6,436,703	2,480,751	55,057	425,305	19,454	–	–	–	–	29
68	84	**Fujitsu**[4]	Japan	6,396,195	6,855,159	364,498	2,424,171	74,187	7.57	26.05	55.07	32.52	44
69	63	**Imperial Oil**	Canada	6,345,188	6,579,907	464,157	3,608,867	14,674	(17.14)	6.05	(17.27)	3.17	29
70	72	**Nippon Kokan**[4]	Japan	6,285,820	10,308,247	77,896	1,099,215	36,851	8.60	(3.51)	56.45	1.29	33
71	66	**Fried. Krupp**	W. Germany	6,276,035	4,404,635	28,707	674,002	67,402	–	–	–	–	33
72	74	**Rhône-Poulenc**[1]	France	6,243,962[6]	6,032,368[6]	257,318[6]	1,710,689[6]	78,000[6]	–	–	–	–	28
73	70	**Sanyo Electric**[12]	Japan	6,227,998	6,233,127	149,342	2,083,785	25,429	2.72	(2.47)	47.76	2.46	36
74	75	**Mannesmann**	W. Germany	6,171,069	4,808,384	77,700	1,080,194	107,804	38.22	14.12	83.20	14.16	45
75	71	**Schlumberger**	Neth. Antilles	6,119,447	11,282,232	351,036	6,877,209	72,810	(38.20)	(3.24)	(21.62)	(8.65)	38
76	69	**Grand Metropolitan**[7]	Britain	6,036,606	6,078,663	338,158	2,767,702	137,200	59.09	34.15	83.76	25.26	49
77	65	**Maruzen Oil**[4]	Japan	6,014,768	2,676,195	102,048	(111,837)	1,992	–	–	–	–	29
78	106	**Statoil**	Norway	5,979,417	6,082,190	253,968	659,103	7,055	–	–	–	–	29
79	52	**Barlow Rand**[7]	South Africa	5,861,085	3,647,252	(21,569)	692,127	151,514	52.45	–	(22.96)	–	20
80	81	**Sony**[11,13]	Japan	5,776,507	6,841,224	297,409	2,832,252	44,908	(12.64)	(6.95)	26.05	(2.20)	36
81	77	**Alcan Aluminium**	Canada	5,718,000	6,861,000	(180,000)	2,746,000	70,000	36.01	6.73	35.81	3.82	33
82	80	**Neste**[1]	Finland	5,684,359	4,019,925	20,221	195,278	8,496	–	–	–	–	29
83	89	**Brown Boveri**	Switzerland	5,638,741	9,599,029	37,386	2,539,806	97,800	51.90	7.25	101.32	7.29	36
84	91	**Broken Hill Proprietary**[14]	Australia	5,631,217	8,033,384	527,606	3,925,987	58,000	110.50	63.28	127.72	48.72	33
85	73	**Chinese Petroleum**[1]	Taiwan	5,520,716	4,397,197	437,655	2,851,960	22,077	–	–	–	–	29
86	83	**Akzo Group**	Netherlands	5,422,732	4,268,446	253,826	1,503,849	65,000	68.90	58.03	124.25	57.73	28
87	110	**Sacilor**[1]	France	5,406,709[6]	7,702,740[6]	(585,129)[6]	(2,812,369)[6]	69,504[6]	(12.62)	9.37	10.96	3.26	33
88	76	**Kobe Steel**[4]	Japan	5,314,869	7,746,303	42,555	606,542	32,524	18.19	(0.77)	69.44	4.27	33
89	90	**Sumitomo Metal Industries**[4]	Japan	5,313,817	9,039,637	103,260	1,284,880	34,010	1.75	(8.65)	46.38	(4.02)	33
90	87	**Ford Motor**	Britain	5,240,633[6]	5,294,480	148,992	1,830,815	51,200	–	–	–	–	40
91	86	**Michelin**	France	5,190,997	3,041,444	110,052	968,055	N.A.	240.00	31.35	331.20	24.01	30
92	92	**Chrysler Canada**	Canada	5,154,632	1,129,958	101,079	358,362	12,356	2.41	48.94	2.26	44.89	40
93	93	**Mitsubishi Chemical Industries**[15]	Japan	5,112,348	4,512,822	97,657	416,852	16,474	35.17	24.24	94.49	30.56	28
94	78	**Nippon Mining**[4]	Japan	5,044,411	3,785,721	16,221	348,554	8,083	4.83	25.25	51.52	31.60	29
95	98	**BTR**	Britain	5,027,639	4,460,859	293,450	1,467,397	85,800	166.28	81.80	207.82	69.80	45
96	101	**Adam Opel**	W. Germany	5,024,802[6]	2,912,276	(45,936)	624,352	57,273	–	–	–	–	40
97	97	**BMW (Bayerische Motoren Werke)**	W. Germany	5,006,668	3,017,392	102,187	793,277	47,777	55.82	37.24	106.50	37.29	40
98	99	**Kawasaki Steel**[4]	Japan	5,000,796[5]	7,765,223[5]	83,071[5]	1,335,554[5]	27,863[5]	18.08	(2.03)	71.21	3.10	33
99	111	**ENPETROL**[1]	Spain	4,930,725	2,018,463	14,804	649,498	5,946	–	–	–	–	29
100	102	**Ford-Werke**	W. Germany	4,905,511[6]	2,468,041	(85,274)	438,414	45,991	3.47	(0.72)	37.13	(0.69)	40

N.A. Not available.
[10] Name changed from Showa Oil on January 1, 1985.
[11] Figures are for fiscal year ended October 31, 1985.
[12] Figures are for fiscal year ended November 30, 1985.
[13] Includes only wholly owned subsidiaries.
[14] Figures are for fiscal year ended May 31, 1985.
[15] Figures are for fiscal year ended January 31, 1985.

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCK-HOLDERS' EQUITY $000	EMPLOY-EES	TOTAL RETURN TO INVESTORS PERCENT				INDU COD
									IN LOCAL CURRENCY		IN U.S. DOLLARS		
									5/31/85-5/31/86	5-YEAR AVERAGE	5/31/85-5/31/86	5-YEAR AVERAGE	
101	109	Norsk Hydro	Norway	4,875,051	6,024,274	241,875	1,397,230	26,413	51.44	89.75	71.55	78.36	28
102	82	Toa Nenryo Kogyo	Japan	4,832,860	3,631,391	115,848	1,334,797	3,876	45.78	21.22	110.08	27.42	29
103	60	YPF (Yacimientos Petrólíferos)[1]	Argentina	4,703,246	9,240,314	(697,129)	2,520,428	32,455	–	–	–	–	29
104	112	Taiyo Fishery[15]	Japan	4,702,293	1,775,110	7,773	57,751	9,843	11.70	20.53	61.40	26.86	20
105	88	British Steel[1,4]	Britain	4,690,798	4,579,380	(516,038)	2,871,228	73,650	–	–	–	–	33
106	115	Sharp[4]	Japan	4,671,672	4,422,920	162,703	1,425,861	28,221	16.11	5.34	67.37	10.73	36
107	107	ASEA	Sweden	4,670,410	5,476,700	160,680	1,039,472	60,979	212.63	102.37	277.54	86.68	45
108	114	Electrolux	Sweden	4,611,041	3,897,558	162,074	836,568	93,600	55.29	36.36	87.52	25.79	36
109	134	Isuzu Motors[11]	Japan	4,601,156	3,942,657	66,951	487,662	24,206	(10.35)	(2.81)	29.09	2.10	40
110	79	Dalgety[2]	Britain	4,597,748	1,132,063	41,986	404,897	18,783	174.15	44.72	216.48	35.16	20
111	123	IBM Deutschland	W. Germany	4,493,532[8]	3,413,739	289,383	817,327	28,172	–	–	–	–	44
112	100	BL[1]	Britain	4,424,904	3,281,618	(178,864)	847,306	77,044	5.41	18.07	21.28	10.25	40
113	104	Gutehoffnungshütte[2]	W. Germany	4,387,056	4,064,029	148,598	535,276	54,545	41.62	7.45	87.68	7.49	45
114	295	Charbonnages de France[1]	France	4,384,307	5,777,822	(170,729)	236,563	70,800	–	–	–	–	28
115	85	Daikyo Oil[4]	Japan	4,352,054	1,260,928	2,899	43,936	1,881	–	–	–	–	29
116	96	Mitsubishi Oil[4]	Japan	4,273,421	3,172,606	(36,074)	2,112	3,184	29.45	11.77	86.08	17.55	29
117	149	Northern Telecom	Canada	4,259,776	3,488,023	301,190	1,686,521	46,549	(18.87)	51.02	(18.99)	46.91	36
118	129	IBM France	France	4,181,080[8]	3,108,625[8]	319,978[8]	1,274,059[8]	22,452[8]	–	–	–	–	44
119	144	Sumitomo Chemical	Japan	4,177,330	5,201,154	42,991	605,683	12,561	42.14	18.82	105.45	25.02	28
120	127	Dow Chemical Europe	Switzerland	4,100,000[8]	2,939,000	N.A.	N.A.	13,500	–	–	–	–	28
121	124	Asahi Chemical Industry[4]	Japan	4,084,065	3,449,554	66,731	861,183	21,366	(19.71)	30.01	15.90	36.71	28
122	94	Preussag	W. Germany	4,067,002[6]	2,374,276[6]	(1,985)[6]	367,154[6]	31,239[6]	(29.64)	12.61	(6.74)	12.65	33
123	105	Usinor[1]	France	4,047,301	5,878,388	(381,747)	935,198	44,217	7.94	(0.86)	37.31	(6.39)	33
124	113	Thorn EMI[4]	Britain	4,023,339	2,696,828	47,460	770,522	89,354	3.31	7.88	19.36	0.74	33
125	143	Canon	Japan	4,008,023	4,998,971	155,393	1,663,660	34,129	(8.93)	7.98	31.32	13.51	44
126	120	Pechiney[1]	France	3,997,440[6]	5,198,801[6]	81,469[6]	1,302,165[6]	48,100[6]	–	–	–	–	33
127	163	IBM United Kingdom Holdings	Britain	3,942,459[8]	2,079,355	399,040	1,064,965	18,798	–	–	–	–	44
128	147	Nippondenso	Japan	3,925,152	3,877,263	178,679	2,088,914	39,180	9.51	27.45	57.96	33.97	44
129	103	Ishikawajima-Harima Heavy Ind.[4]	Japan	3,869,013	6,074,988	35,022	570,319	39,000	32.75	3.98	91.30	9.20	44
130	158	IBM Japan	Japan	3,835,081[5,8]	2,948,170[5]	306,101[5]	1,351,700[5]	16,775[5]	–	–	–	–	44
131	122	Degussa[7]	W. Germany	3,824,868	1,608,685	36,517	336,444	23,898	35.67	21.34	79.80	21.38	33
132	136	L.M. Ericsson Telephone	Sweden	3,817,493[6]	4,900,594[6]	85,452[6]	1,068,185[6]	78,159[6]	2.46	39.98	23.75	29.14	33
133	180	Aérospatiale[1]	France	3,812,688[8]	7,227,706[8]	60,434[8]	412,388[8]	43,219[8]	–	–	–	–	44
134	125	Solvay	Belgium	3,796,722[6]	3,684,715[6]	103,186[6]	1,191,948[6]	44,461[6]	90.12	–	148.45	–	28
135	164	Saab-Scania	Sweden	3,699,268	3,524,109	74,669	568,961	46,807	108.17	55.41	151.40	43.37	44
136	135	Petro-Canada[1]	Canada	3,697,703	6,325,414	(505,903)	2,604,481	10,565	–	–	–	–	28
137	139	Ssangyong	South Korea	3,689,120	2,939,721	28,438	566,268	13,285	–	–	–	–	28
138	126	AEG Aktiengesellschaft[16]	W. Germany	3,682,628[6]	3,403,792[6]	–[6]	855,064[6]	73,760[6]	151.81	47.30	233.69	47.35	33
139	128	Metallgesellschaft[7]	W. Germany	3,659,500	1,925,215	18,050	308,926	21,384	56.04	5.11	106.81	5.15	33
140	142	Pirelli	Switzerland	3,650,000	3,200,000	101,000	1,500,000	61,500	80.76	26.22	123.60	18.46	33
141	140	Roche/Sapac	Switzerland	3,633,079	6,107,767	182,459	3,860,922	45,477	–	–	–	–	44
142	150	Bridgestone	Japan	3,624,339	3,781,099	87,576	1,387,516	32,834	40.34	13.35	102.37	19.17	33
143	151	Mobil Oil (Germany)	W. Germany	3,466,405[5,8]	1,398,464[5]	119,695[5]	449,530[5]	2,162[5]	–	–	–	–	22
144	161	Sandoz	Switzerland	3,435,016	4,055,340	214,968	2,232,524	40,166	66.68	28.14	123.77	29.95	44
145	169	Asahi Glass	Japan	3,430,362	4,035,855	126,961	1,539,441	17,448	42.80	20.85	105.90	27.01	33
146	156	British Aerospace	Britain	3,430,303	3,961,840	164,556	1,714,114	75,823	35.89	23.18	57.22	15.05	44
147	148	Rothmans International[4]	Britain	3,413,759	2,218,755	52,932	567,936	23,421	–	–	–	–	22
148	132	Imperial Group[11]	Britain	3,401,218*	4,069,268	136,037	2,186,535	89,014	106.67	47.52	138.89	37.82	22
149	145	Kawasaki Heavy Industries[4]	Japan	3,380,764	4,236,602	32,704	353,542	26,369	2.95	(4.83)	50.00	0.20	44
150	141	Allied-Lyons[9]	Britain	3,368,992	2,721,398	142,086	1,414,239	44,967	76.57	42.83	103.93	33.44	44

N.A. Not available.
[16] Name changed from AEG-Telefunken on June 27, 1985.
* FORTUNE estimate.

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCKHOLDERS' EQUITY $000	EMPLOYEES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
151	154	**Snow Brand Milk Products**[4]	Japan	3,364,056	1,308,705	17,437	198,482	14,566	11.39	24.81	61.04	31.12	20
152	172	**Komatsu**	Japan	3,338,978	5,011,536	91,900	1,869,263	23,227	8.43	7.45	56.48	12.85	45
153	152	**Oil & Natural Gas Commission**[1]	India	3,328,985[5]	6,862,667[5]	743,191[5]	2,558,336[5]	41,591[5]	—	—	—	—	29
154	153	**Hanson Trust**[7]	Britain	3,317,696	4,016,760	253,681	1,584,281	64,000	51.07	152.63	74.65	135.98	20
155	•	**Feldmühle Nobel**	W. Germany	3,281,339	3,281,827	78,478	912,070	42,602	—	—	—	—	26
156	138	**ALUSUISSE (Swiss Aluminium)**	Switzerland	3,252,232	4,012,136	(281,328)	925,631	33,631	(22.65)	(7.70)	3.84	(6.40)	33
157	160	**Toray Industries**[4]	Japan	3,246,970	3,321,641	55,530	830,219	29,689	—	—	—	—	28
158	195	**Olivetti**	Italy	3,215,744	4,271,515	263,771	1,366,734	48,944	155.32	37.33	215.78	28.86	44
159	119	**Esso (France)**	France	3,204,396[5]	1,536,663	1,202	663,430	3,723	(11.00)	33.94	12.87	26.45	29
160	137	**CEPSA (Española de Petróleos)**	Spain	3,192,646	1,310,270	46,049	308,542	3,939[5]	—	—	—	—	29
161	133	**Texaco**	Britain	3,178,897[5]	1,238,129	165,550	375,846	3,553	—	—	—	—	29
162	165	**BSN**	France	3,169,171[4]	2,805,594[4]	88,815[4]	971,562[4]	33,447[4]	38.64	38.70	75.84	30.95	20
163	157	**Henkel**	W. Germany	3,132,711	2,428,394	57,572	1,021,291	30,935	—	—	—	—	28
164	166	**Deutsche Texaco**	W. Germany	3,128,140[8]	1,158,422	16,169	282,686	3,998	30.21	24.12	72.57	24.16	29
165	155	**Esso Italiana**	Italy	3,097,965[5]	1,085,753[5]	(28,770)[5]	53,957[5]	2,521[5]	—	—	—	—	29
166	95	**Texaco Canada**	Canada	3,083,643	2,596,353	245,989	1,626,028	3,711	(13.65)	0.66	(13.77)	(2.08)	29
167	108	**Ultramar**	Britain	3,054,726	2,713,565	92,764	1,101,379	3,719	(19.10)	17.28	(6.54)	9.54	29
168	146	**Salzgitter**[1,7]	W. Germany	3,051,764	2,901,411	16,259	427,775	42,094	—	—	—	—	33
169	179	**Dai Nippon Printing**[14]	Japan	2,996,564	2,215,470	103,834	1,212,803	13,692	80.27	31.24	160.22	37.97	27
170	181	**ÖMV**	Austria	2,980,633[5]	1,975,582[5]	11,623[5]	669,243[5]	7,038[5]	—	—	—	—	29
171	198	**EFIM**[1]	Italy	2,958,890[8]	N.A.[5]	(238,806)[5]	N.A.[5]	39,000[8]	—	—	—	—	33
172	184	**Fuji Photo Film**[10]	Japan	2,958,495	4,232,033	268,212	2,317,202	16,915	48.45	14.21	114.22	20.05	28
173	175	**Koç Holding**	Turkey	2,958,301	1,067,347	51,155	153,592	31,075	—	—	—	—	40
174	168	**Haci Ömer Sabanci Holding**	Turkey	2,933,606	2,779,630	83,369	203,544	27,939	—	—	—	—	22
175	177	**Beecham Group**[4]	Britain	2,874,118	2,759,864	217,966	1,446,614	37,500	5.34	19.41	21.86	11.51	42
176	182	**General Sekiyu**[4]	Japan	2,868,773[5]	1,766,602[5]	4,950[5]	252,155[5]	1,611[5]	—	—	—	—	29
177	178	**Guest Keen & Nettlefolds**	Britain	2,849,764	2,326,450	55,451	916,997	48,300	54.55	23.00	78.85	14.91	40
178	171	**Steel Authority of India**[1]	India	2,777,100[5]	6,484,172[5]	3,571[5]	3,043,975[5]	206,711[5]	—	—	—	—	33
179	200	**Sumitomo Electric Industries**[4]	Japan	2,755,503	2,414,984	57,139	713,215	21,680	45.03	28.47	109.45	34.99	34
180	185	**Korea Explosives**	South Korea	2,750,020	2,157,956	2,478	444,980	16,347	—	—	—	—	28
181	279	**Imasco**[4]	Canada	2,747,193	2,004,806	177,370	969,493	61,373	33.31	86.83	33.11	81.74	21
182	183	**BICC**	Britain	2,732,385	1,524,475	36,276	403,155	46,400	38.77	10.83	60.23	3.49	45
183	187	**Toppan Printing**[14]	Japan	2,717,363	1,857,193	77,194	843,045	13,251	115.97	35.71	211.35	42.65	27
184	189	**Suzuki Motor**[4]	Japan	2,713,480	1,648,283	34,195	383,056	16,730	0.58	8.50	45.11	14.01	40
185	170	**Courtaulds**[4]	Britain	2,701,855	1,721,130	94,670	645,439	70,000	104.02	40.00	135.59	30.72	22
186	203	**Fuji Heavy Industries**[4]	Japan	2,677,931[5]	1,679,060[5]	60,518[5]	510,842[5]	13,933[5]	(5.90)	11.71	35.71	17.38	40
187	192	**Conoco**	Britain	2,664,755	1,116,118	55,581	599,964	1,503	—	—	—	—	29
188	167	**Reed International**[4]	Britain	2,655,775	1,651,172	99,064	802,288	43,238	45.99	33.53	68.65	24.74	27
189	191	**Kubota**[19]	Japan	2,630,667	2,879,428	61,462	1,071,534	18,000	9.75	3.05	58.22	8.31	45
190	190	**STC**[20]	Britain	2,587,538	1,781,107	(69,702)	677,416	43,200	(20.52)	24.12	(8.11)	15.95	36
191	199	**Hoesch**	W. Germany	2,540,115	2,722,752	134,280	474,731	33,100	—	—	—	—	33
192	59	**National Coal Board**[1,4]	Britain	2,533,734	8,417,160	—	(38,316)	225,850	—	—	—	—	10
193	193	**Hiram Walker Resources**[7]	Canada	2,529,738	4,192,560	236,168	1,670,314	10,660	23.13	10.39	22.94	7.38	49
194	194	**Noranda**	Canada	2,517,621	4,462,395	(185,863)	1,686,750	25,400	30.48	(7.96)	30.28	(10.47)	33
195	206	**Saarbergwerke**[1]	W. Germany	2,508,208[8]	1,917,896[8]	(5,146)[8]	280,580[8]	30,459[8]	—	—	—	—	29
196	207	**Furukawa Electric**[4]	Japan	2,485,687	2,583,873	5,273	306,558	14,182	31.16	11.61	89.21	17.39	33
197	214	**United Biscuits (Holdings)**	Britain	2,470,936	1,383,732	73,460	598,085	41,467	34.82	22.83	56.14	14.72	20
198	211	**Matsushita Electric Works**[12]	Japan	2,462,086	2,135,195	59,646	995,359	16,244	75.91	20.98	154.13	27.19	36
199	186	**Cadbury Schweppes**	Britain	2,427,663	1,752,640	54,285	680,595	33,797	6.09	20.87	22.71	12.89	20
200	188	**Unigate**[4]	Britain	2,426,007	1,015,127	39,299	381,059	33,200	76.42	28.92	104.07	20.38	20

• Not on last year's list.
N.A. Not available.
[18] Figures are for fiscal year ended October 20, 1985.
[19] Figures are for fiscal year ended April 15, 1985.
[20] Name changed from Standard Telephones & Cables on June 17, 1985.

RANK '85	'84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCK-HOLDERS' EQUITY $000	EMPLOY-EES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
201	202	Bertelsmann[3]	W. Germany	2,414,909[4]	1,409,747[4]	58,448[4]	262,969[4]	31,835[4]	—	—	—	—	27
202	205	Teijin[4]	Japan	2,411,582	2,179,645	66,817	573,502	11,502	17.65	26.36	69.65	32.98	28
203	366	Mobil Oil Italiana	Italy	2,401,464[3]	757,990[5]	(3,809)[5]	20,983[5]	1,172[5]	—	—	—	—	29
204	216	Hyosung	South Korea	2,390,331	1,988,828	18,802	359,457	23,500	—	—	—	—	28
205	159	Canada Development Corp.	Canada	2,384,479	5,190,561	125,117	1,086,879	17,808	(31.91)	(9.09)	(32.00)	(11.56)	30
206	209	Pohang Iron & Steel	South Korea	2,376,059[5]	3,728,076[5]	71,634[5]	1,698,394[5]	17,000[5]	—	—	—	—	33
207	201	Ube Industries[4]	Japan	2,372,106	3,311,251	19,468	136,725	14,644	26.01	10.17	82.35	15.88	28
208	174	BOC Group[7]	Britain	2,358,051	3,590,971	127,150	1,584,281	36,936	4.32	24.30	20.59	16.07	28
209	223	Kirin Brewery[15]	Japan	2,350,031	2,536,413	105,705	955,090	10,513	94.23	32.70	180.00	39.43	49
210	208	CSR[4]	Australia	2,331,885	2,181,132	(52,718)	947,819	14,338	29.55	2.61	40.21	(6.53)	20
211	242	Britoil	Britain	2,331,531	3,089,988	243,699	871,046	2,724	(11.57)	—	2.18	—	29
212	256	Mitsubishi Metal[4]	Japan	2,324,810	2,198,892	24,901	157,243	9,316	(5.55)	31.08	36.33	37.90	33
213	197	Canada Packers[4]	Canada	2,311,636	453,011	18,971	227,516	13,500	56.91	46.57	56.68	42.58	20
214	229	SKF	Sweden	2,295,529	2,876,040	64,946	1,121,452	46,532	52.76	45.24	84.47	33.99	34
215	215	International Thomson Org.	Canada	2,284,113	1,950,750	143,810	661,810	19,000	14.58	54.25	32.49	44.05	29
216	225	Toyo Seikan[4]	Japan	2,276,585	1,575,486	79,517	584,518	14,180	128.38	43.94	229.48	51.34	34
217	210	Rank Xerox[11]	Britain	2,271,142	2,344,702	74,556	1,238,110	29,651	—	—	—	—	44
218	221	Hoogovens Groep	Netherlands	2,247,614	2,614,198	83,946	513,544	27,383	—	—	—	—	33
219	118	Gulf Canada	Canada	2,241,717[4]	4,648,552	248,185	1,976,403	20,350	(13.74)	(8.45)	(13.85)	(10.95)	29
220	250	Ricoh[4]	Japan	2,231,139	2,042,100	68,619	765,681	25,000	3.18	13.04	48.81	18.81	44
221	222	Takeda Chemical[4]	Japan	2,226,414	2,699,024	90,523	1,315,068	13,381	82.31	24.29	163.24	30.64	42
222	232	Daihatsu Motor[2]	Japan	2,225,705	1,303,925	27,703	330,688	17,000	(8.51)	6.84	31.85	12.28	40
223	212	Bass[7]	Britain	2,223,334	3,042,501	204,185	1,934,856	71,260	42.79	31.41	65.09	22.75	49
224	219	L'Air Liquide	France	2,215,261[4]	2,765,294[4]	125,682[4]	827,446[4]	25,000[4]	65.02	42.94	109.28	34.95	28
225	226	Nippon Suisan[4]	Japan	2,213,481	1,000,912	12,123	213,625	6,377	28.71	18.01	86.39	24.12	20
226	237	Fletcher Challenge[2]	New Zealand	2,210,359	3,219,822	86,681	499,770	23,423	113.81	113.87	167.63	96.02	32
227	252	Tokyo Sanyo Electric[12]	Japan	2,198,918	2,448,684	65,293	943,998	18,070	17.00	12.00	68.78	17.71	36
228	234	Oji Paper[4]	Japan	2,190,275	2,036,434	74,064	479,450	5,592	46.11	28.34	110.59	34.96	26
229	230	Jacobs Suchard	Switzerland	2,186,994	1,301,806	61,121	656,381	9,260	41.38	16.89	89.81	18.54	20
230	277	Avions Marcel Dassault-Breguet	France	2,175,000	4,162,200	60,678	426,230	16,123	(6.80)	31.60	18.20	24.25	41
231	224	Kanebo[21]	Japan	2,161,589	2,020,537	21,812	51,431	23,198	31.27	31.92	88.82	38.80	22
232	204	Esso Belgium	Belgium	2,152,015[5]	551,775[5]	66,364[5]	131,976[5]	1,211[5]	—	—	—	—	29
233	227	Pioneer Concrete Services[3]	Australia	2,115,820	1,278,958	67,162	444,518	8,570	79.72	24.18	94.09	13.11	29
234	253	Yamaha Motor[21]	Japan	2,091,563	1,490,596	1,830	54,111	9,878	3.48	0.78	49.55	5.94	40
235	244	Ajinomoto[4]	Japan	2,091,265	1,745,976	60,795	751,693	10,586	74.85	28.64	152.37	35.21	20
236	241	Nissan Shatai[4]	Japan	2,082,440[5]	630,840[5]	17,280[5]	203,426[5]	6,889[5]	5.68	7.77	52.35	13.25	40
237	251	Fuji Electric[4]	Japan	2,078,548	2,131,275	38,952	293,777	18,047	(9.66)	7.48	30.57	12.96	36
238	231	Toyobo[21]	Japan	2,074,242	1,570,199	26,235	221,682	15,600	29.79	25.14	86.82	31.62	22
239	265	Rolls-Royce[1]	Britain	2,074,228	1,764,345	99,760	576,555	41,700	—	—	—	—	41
240	246	Moore	Canada	2,067,710	1,321,166	136,683	907,391	27,331	41.39	24.54	41.19	21.14	27
241	•	Coal India[1,4]	India	2,064,759	4,246,787	(65,947)	2,237,033	669,273	—	—	—	—	10
242	235	Hawker Siddeley Group	Britain	2,062,568	1,519,417	107,922	1,187,212	40,800	38.99	17.34	60.69	9.59	45
243	255	Hattori Seiko[4]	Japan	2,051,953	1,436,645	10,846	251,382	7,701	—	—	—	—	46
244	247	MBB	W. Germany	2,041,549	2,630,977	N.A.	N.A.	36,900	—	—	—	—	41
245	281	Tarmac	Britain	2,034,806	1,485,171	119,643	616,581	25,748	231.11	97.35	282.73	84.31	32
246	286	Vauxhall Motors	Britain	2,027,717[5]	918,153	(61,411)	(144,644)	12,467	—	—	—	—	40
247	•	Tate & Lyle[7]	Britain	2,017,908[4]	974,400[4]	32,873[4]	424,381[4]	11,498[4]	—	—	—	—	20
248	239	VIAG[1]	W. Germany	2,010,385[4]	2,543,447[4]	36,739[4]	649,592[4]	21,985[4]	—	—	—	—	33
249	270	Seagram[15]	Canada	2,005,704	5,595,872	383,618	3,079,479	14,300	55.64	73.12	55.41	68.39	49
250	218	Zambia Industrial & Mining[1,4]	Zambia	1,980,326	3,769,283	(24,994)	1,235,101	133,945	—	—	—	—	10

• Not on last year's list.
N.A. Not available.
[21] Figures are for fiscal year ended April 30, 1985.

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCKHOLDERS' EQUITY $000	EMPLOYEES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
91	240	Oerlikon-Bührle	Switzerland	1,975,835	3,765,437	14,751	1,712,767	31,764	38.80	0.36	86.34	1.77	34
92	228	Lafarge Coppée	France	1,969,145	2,453,443	85,228	514,835	25,975	130.15	44.62	191.91	36.54	32
93	196	Koor Industries	Israel	1,967,137	2,679,585	17,567	450,804	33,700	—	—	—	—	36
94	249	Mitsui Toatsu Chemicals[4]	Japan	1,966,556	2,171,227	25,216	62,785	7,466	18.03	21.45	70.10	27.48	28
95	257	Hitachi Zosen[4]	Japan	1,964,509	4,182,040	5,593	370,538	20,937	—	—	—	—	37
96	261	Showa Denko	Japan	1,929,834	2,875,236	13,109	125,658	5,915	78.90	22.09	157.58	28.42	28
97	236	Koa Oil[4]	Japan	1,928,492[5]	1,397,724[6]	5,204[5]	150,687[5]	1,398[6]	37.86	10.61	99.10	16.28	29
98	258	ACI International[4]	Australia	1,928,274	1,454,627	40,477	586,008	26,600	—	—	—	—	32
99	292	News Corp.[3]	Australia	1,895,940	2,315,020	114,131	908,197	24,094	204.88	103.46	229.66	85.34	27
00	217	Burmah Oil	Britain	1,888,830[6]	1,289,373[6]	29,928[6]	503,438[6]	14,500[6]	33.24	26.64	53.90	18.32	29
01	267	Dainippon Ink & Chemicals[4]	Japan	1,880,668	1,565,454	25,777	346,673	9,265	55.84	18.24	124.46	24.33	28
02	245	Johnson Matthey[4]	Britain	1,876,570	720,588	(206,164)	253,874	9,271	116.16	(4.33)	150.00	(10.65)	33
03	301	Abitibi-Price	Canada	1,866,731	1,484,662	73,357	702,324	15,500	39.24	23.41	39.02	20.04	26
04	233	PETROGAL (Petróleos de Portugal)[1]	Portugal	1,858,627[6]	N.A.	N.A.	N.A.	N.A.	—	—	—	—	29
05	285	Gallaher	Britain	1,855,064	1,592,880	83,925	577,033	29,394	—	—	—	—	21
06	259	Hüls[22]	W. Germany	1,854,967[5]	1,241,806[5]	52,733[5]	439,105[5]	14,711[6]	—	—	—	—	28
07	276	Sulzer Brothers	Switzerland	1,842,278	3,270,874	17,067	1,435,437	30,338	59.89	10.69	114.66	12.25	45
08	248	Lucas Industries[23]	Britain	1,837,077	1,515,132	3,922	577,099	64,855	105.07	29.75	137.17	21.19	40
09	260	Mitsubishi Petrochemical	Japan	1,835,397	2,225,543	40,484	229,958	3,400	35.96	14.87	96.45	20.63	28
10	162	TBG[12]	Neth. Antilles	1,835,000	1,147,600	43,000	417,000	13,700	—	—	—	—	34
11	310	De Beers Consolidated Mines	South Africa	1,832,587	4,047,241	443,243	3,172,183	20,000	137.69	—	19.94	—	10
12	274	L'Oréal	France	1,828,603[6]	1,766,101[6]	86,255[6]	879,121[6]	26,400[6]	25.51	42.41	59.18	34.46	43
13	290	John Labatt[21]	Canada	1,828,443	1,132,489	61,536	378,980	13,000	80.37	—	80.10	—	20
14	294	Vale do Rio Doce[1]	Brazil	1,821,704	5,540,818	577,954	2,646,749	22,472	—	—	—	—	10
15	297	Hino Motors[4]	Japan	1,819,398[5]	925,598[5]	17,359[5]	275,028[5]	8,363[5]	1.64	6.40	46.38	11.93	40
16	280	Jujo Paper[4]	Japan	1,811,357	1,832,084	23,341	221,534	6,951	24.45	24.99	79.50	31.32	26
17	287	Nippon Light Metal[4]	Japan	1,805,208	1,896,227	(7,304)	118,865	10,220	(12.78)	8.68	25.47	14.36	34
18	321	Bull[1]	France	1,792,885	1,947,694	12,267	274,868	26,403	—	—	—	—	44
19	263	Dome Petroleum	Canada	1,783,417	5,848,409	5,125	(190,204)	4,400	(51.11)	(41.64)	(51.09)	(43.20)	29
20	266	Stelco	Canada	1,782,433	2,076,872	56,848	1,115,708	18,773	34.00	(2.21)	33.77	(4.89)	33
21	271	Plessey[4]	Britain	1,777,558	1,536,505	113,727	649,452	37,533	47.22	50.00	70.18	40.15	36
22	320	Nokia	Finland	1,776,976	2,160,048	58,083	338,490	27,619	180.58	—	236.66	—	36
23	243	IMETAL	France	1,769,505[6]	1,307,906[6]	30,419[6]	392,591[6]	15,000[6]	(42.58)	3.30	(27.18)	(2.46)	10
24	312	RMC Group	Britain	1,766,916	1,248,335	54,155	418,905	19,525	72.06	33.79	98.78	24.97	32
25	299	Tabacalera[1]	Spain	1,766,713	755,467	7,677	55,054	8,518	271.73	62.87	337.39	48.00	21
26	283	TDK[12]	Japan	1,762,647	1,898,491	124,390	1,200,064	14,661	(11.85)	(1.03)	27.16	4.03	36
27	311	Aisin Seiki[4]	Japan	1,740,794	1,090,299	37,012	435,347	10,528	49.72	26.07	116.18	32.52	40
28	329	Sumitomo Metal Mining[4]	Japan	1,732,532	1,204,980	14,064	218,410	5,758	(3.19)	64.79	39.59	73.17	33
29	289	Schering	W. Germany	1,731,254	1,948,707	58,920	729,280	23,884	35.39	22.76	79.44	22.80	42
30	268	Sasol[2]	South Africa	1,726,895	2,818,264	273,465	1,199,927	32,700	5.76	—	(46.61)	—	28
31	282	Glaxo Holdings[2]	Britain	1,723,515	1,836,574	325,516	1,115,825	25,634	223.52	127.23	273.87	112.25	42
32	275	Union International	Britain	1,720,534	N.A.	10,365	N.A.	24,627	91.69	15.85	143.03	9.39	20
33	293	Sanyo-Kokusaku Pulp[4]	Japan	1,716,352	1,549,088	28,160	118,434	7,468	19.25	24.17	72.18	30.72	26
34	315	Standard Elektrik Lorenz	W. Germany	1,714,946[4,6]	1,083,275[6]	26,109[6]	260,574[6]	33,385[6]	3.22	13.26	36.79	13.30	36
35	317	Entreprise Minière et Chimique[1]	France	1,713,227	1,095,660	10,220	45,757	13,317	—	—	—	—	10
36	302	MacMillan Bloedel	Canada	1,709,767	1,487,808	31,407	805,220	15,139	56.31	2.57	56.13	(0.22)	26
37	339	Oki Electric Industry[4]	Japan	1,709,404	1,681,084	37,118	300,323	18,134	22.07	—	76.11	—	36
38	220	Iscor[1,2]	South Africa	1,703,298	2,428,617	9,215	1,432,870	60,737	—	—	—	—	33
39	387	Continental Gummi-Werke	W. Germany	1,699,311	1,159,451	26,212	229,250	31,673	77.73	34.74	135.56	34.78	30
40	308	Sekisui Chemical[4]	Japan	1,696,978	1,375,363	28,930	304,821	8,781	98.72	29.37	186.70	36.02	28

N.A. Not available.
[6] FORTUNE estimate.
[22] Name changed from Chemische Werke Hüls on July 1, 1985.
[23] Figures are for fiscal year ended July 31, 1985.

RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCKHOLDERS' EQUITY $000	EMPLOYEES	TOTAL RETURN TO INVESTORS PERCENT				INDUSTRY CODE
								IN LOCAL CURRENCY		IN U.S. DOLLARS		
								5/31/85-5/31/86	5-YEAR AVERAGE	5/31/85-5/31/86	5-YEAR AVERAGE	
306	Nisshin Steel[4]	Japan	1,675,561	2,166,371	32,979	379,458	9,934	(2.00)	1.03	40.79	6.26	33
213	Deutsche Babcock[7]	W. Germany	1,669,348	1,390,027	10,634	184,673	22,432	22.85	0.93	62.81	0.96	34
291	Bowater Industries	Britain	1,667,415[6]	1,126,088[6]	9,587[6]	336,685[6]	24,400[6]	18.66	—	36.84	—	26
298	Nippon Gakki[21]	Japan	1,666,809	1,276,167	22,660	423,276	17,896	32.52	21.91	91.37	28.17	47
316	Matra[1]	France	1,655,702[6]	2,396,714[6]	12,248[6]	207,650[6]	28,000[6]	20.61	17.42	52.97	10.86	41
332	Reckitt & Colman	Britain	1,641,413	1,078,880	80,391	556,614	36,500	57.26	32.33	81.73	23.57	20
341	Kao[4]	Japan	1,629,829	1,308,028	37,912	455,817	7,703	130.31	46.53	232.25	54.06	43
304	Daido Steel[2]	Japan	1,624,092	1,376,171	24,465	234,300	11,138	4.37	8.86	50.76	14.49	33
284	Rank Hovis McDougall[24]	Britain	1,617,967	979,820	42,118	452,492	35,433	45.26	40.17	68.18	30.88	20
262	Empresa Colombiana de Petról.[1]	Colombia	1,606,400	2,036,718	(178,677)	N.A.	9,900	—	—	—	—	29
307	Mobil Oil Française	France	1,598,569[6,8]	834,037[8]	2,926[8]	240,189[8]	2,112[8]	—	—	—	—	29
328	CODELCO-CHILE[1]	Chile	1,597,992	3,757,955	150,444	2,134,138	24,873	—	—	—	—	10
272	Northern Foods[4]	Britain	1,597,583	692,531	49,846	258,942	22,264	14.49	15.16	32.13	7.52	20
319	Heineken	Netherlands	1,591,208	1,906,492	78,532	798,782	28,410	118.35	73.22	189.89	72.92	49
314	Nippon Meat Packers[23]	Japan	1,590,261	785,396	33,220	345,633	11,600	121.40	26.65	219.28	33.14	20
254	Esso Nederland	Netherlands	1,584,894[8]	976,167	39,065	119,270	1,594	—	—	—	—	29
305	SNECMA[1]	France	1,575,049	3,211,616	10,875	290,859	25,958	—	—	—	—	41
•	East Asiatic	Denmark	1,573,907[6]	1,254,128[6]	18,948[6]	165,204[6]	15,969[6]	—	—	—	—	44
324	Meiji Milk Products[4]	Japan	1,561,984	604,422	8,319	157,873	7,170	68.63	29.46	142.86	36.08	20
325	Rowntree Mackintosh	Britain	1,561,437	1,147,041	57,265	541,008	32,000	9.38	28.87	26.51	20.37	20
326	Mitsui Mining[4]	Japan	1,561,083	1,159,247	3,750	67,195	2,234	52.38	13.59	119.27	19.47	10
313	Domtar	Canada	1,559,026	1,286,235	80,825	623,382	15,295	86.59	19.33	86.34	16.07	26
309	Klöckner-Werke[7]	W. Germany	1,555,725	1,895,321	11,087	281,048	18,458	29.29	11.25	71.39	11.29	33
355	Grupo Industrial Alfa	Mexico	1,554,889	2,831,915	(167,944)	144,292	39,446	—	—	—	—	33
318	Nisshin Flour Milling[4]	Japan	1,541,141	603,773	24,131	254,215	3,636	29.68	19.62	87.50	25.77	20
386	Alps Electric[4]	Japan	1,541,120	1,167,255	74,735	469,466	11,392	—	—	—	—	36
269	Pilkington Brothers[4]	Britain	1,540,455	2,437,886	42,187	1,286,305	44,200	49.18	13.65	72.53	6.13	32
342	Boehringer Ingelheim	W. Germany	1,537,870	1,888,843	43,134	613,404	22,254	—	—	—	—	42
357	Shin-Etsu Chemical[14]	Japan	1,530,790	1,529,279	73,938	359,232	9,734	—	—	—	—	28
303	Mobil Oil	Britain	1,516,056[8]	915,925	2,537	301,836	3,144	—	—	—	—	29
345	Honshu Paper[4]	Japan	1,504,645	1,903,924	3,071	91,390	6,366	44.57	24.99	108.27	31.29	26
337	Unitika[4]	Japan	1,502,950	1,294,773	(459)	72,510	7,594	2.52	21.19	47.75	27.33	22
331	Daishowa Paper[4]	Japan	1,502,336	1,804,363	27,578	123,040	6,249	25.78	17.51	81.45	23.43	26
451	Stora Kopparbergs Bergslags	Sweden	1,501,224	2,349,531	48,007	341,201	17,718	—	—	—	—	26
344	Yamazaki Baking	Japan	1,496,993	1,045,213	34,999	434,951	13,479	150.56	35.74	261.87	42.66	20
334	Vallourec	France	1,496,147[6]	828,344[6]	7,792[6]	231,243[6]	25,059[6]	6.56	31.47	35.15	24.11	34
323	Shiseido[13]	Japan	1,490,976	1,818,377	59,538	993,622	19,205	71.91	24.76	148.18	31.17	43
338	Inco	Canada	1,490,516	3,082,577	52,212	1,265,552	20,828	(2.34)	(6.01)	(2.49)	(8.57)	10
343	SSAB (Svenskt Stål)[1]	Sweden	1,486,087	1,535,842	(1,859)	482,112	14,865	—	—	—	—	33
353	Svenska Cellulosa	Sweden	1,471,913	2,095,050	76,796	644,752	16,388	115.58	—	160.45	—	26
372	Hillsdown Holdings	Britain	1,471,134	643,747	38,997	237,413	19,375	—	—	—	—	20
364	Holderbank Financière Glaris	Switzerland	1,467,324[6]	3,693,917[6]	68,053[6]	1,110,285[6]	19,289[6]	—	—	—	—	32
333	Sankyo[4]	Japan	1,461,799	1,184,793	39,579	502,012	9,293	8.69	32.62	56.89	39.36	42
335	Defasco	Canada	1,459,521	1,911,670	124,527	1,126,556	12,839	—	—	—	—	33
359	Sandvik Group	Sweden	1,459,249	1,817,030	104,332	396,568	24,033	142.24	34.55	192.55	24.13	33
362	Unión Explosivos Rio Tinto	Spain	1,457,445[8]	1,238,303[8]	(4,134)[8]	329,191[8]	8,077[8]	—	—	—	—	29
367	Mitsui Engineering & Shipbldg.[4]	Japan	1,437,304	1,847,052	20,291	314,633	11,146	(15.92)	(3.71)	20.25	1.09	45
361	Dunlop Olympic[2]	Australia	1,434,607	813,212	37,289	317,901	26,916	89.05	43.99	104.35	31.18	30
•	Whitbread[9]	Britain	1,434,534	1,892,134	93,411	1,106,946	20,136	33.93	23.46	54.60	15.32	49
322	Métallurgie Hoboken-Overpelt[7]	Belgium	1,427,552[6]	779,569[6]	17,156[6]	211,287[6]	6,756[6]	33.11	—	73.95	—	33

• Not on last year's list.
— Not available.
[1] Figures are for fiscal year ended August 31, 1985.

'84			SALES $000	ASSETS $000	NET INCOME $000	STOCKHOLDERS' EQUITY $000	EMPLOYEES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
330	**Babcock International**	Britain	1,4..3,750	1,000,928	30,527	261,924	26,514	18.50	18.84	36.86	11.01	45
348	**Procordia**[1,25]	Sweden	1,419,050	1,688,185	45,195	309,703	25,499	—	—	—	—	21
264	**Metal Box**[4]	Britain	1,418,916	909,325	35,156	417,274	28,448	82.08	38.71	110.59	29.58	34
354	**Konishiroku Photo Industry**[26]	Japan	1,418,295	1,505,303	39,131	556,791	9,900	18.57	5.67	71.23	11.05	28
350	**Sumitomo Heavy Industries**[4]	Japan	1,396,681	1,727,781	2,891	191,506	8,500	(2.56)	2.70	40.00	7.80	45
375	**Nichirei**[16,27]	Japan	1,391,464	540,318	9,733	136,974	4,680	—	—	—	—	20
391	**Racal Electronics**[4]	Britain	1,389,876	1,468,431	96,257	538,802	33,167	6.05	19.33	22.62	11.46	36
358	**Pioneer Electronic**[7]	Japan	1,374,242	1,301,099	(9,883)	723,210	12,522	33.82	3.73	93.11	9.03	36
356	**Onoda Cement**[4]	Japan	1,369,049	1,576,741	22,846	246,466	6,756	23.89	28.14	78.66	34.73	32
173	**Cockerill Sambre**[1]	Belgium	1,346,838	2,015,604	(102,091)	529,391	17,008	(37.34)	—	(18.18)	—	33
365	**Mitsui Petrochemical**[4]	Japan	1,344,975	1,524,566	29,319	186,434	4,913	87.20	37.09	170.00	44.18	28
346	**Coats Patons**	Britain	1,340,928*	1,271,600*	76,439*	585,225*	41,000	87.24	39.69	116.40	30.49	22
398	**Mitsubishi Gas Chemical**[4]	Japan	1,340,026	1,181,753	23,488	258,259	5,027	17.46	11.72	69.87	17.56	28
408	**Nixdorf Computer**	W. Germany	1,333,442[4]	1,710,482[4]	57,031[4]	876,503[4]	23,290[4]	32.67	—	75.83	—	44
435	**Kyocera**[4]	Japan	1,329,679	1,511,185	155,873	1,141,499	17,133	—	—	—	—	36
347	**Union Laitière Normande**	France	1,318,648	509,499	(1,172)	39,111	6,131	—	—	—	—	20
383	**Béghin-Say**	France	1,317,505[5]	1,455,834[5]	5,934[5]	278,960[5]	7,700[5]	79.02	25.45	127.03	18.44	20
327	**Massey-Ferguson**[15]	Canada	1,293,600	1,449,200	7,200	310,400	20,262	59.65	(0.43)	59.42	(3.14)	45
377	**TI Group**	Britain	1,291,826	835,210	16,843	318,622	25,000	111.21	32.29	143.94	23.60	34
389	**Rauma-Repola**	Finland	1,288,831	1,863,157	42,813	222,317	17,311	(2.08)	—	17.33	—	26
381	**Hachette**	France	1,288,299	848,975	18,700	245,770	12,500	52.83	59.58	93.83	50.66	27
379	**Valeo**	France	1,283,483[4]	1,085,893[4]	(13,434)[4]	190,284[4]	28,500[4]	129.16	27.43	190.67	20.31	40
370	**Mitsui Mining & Smelting**[4]	Japan	1,283,329	1,159,247	20,946	93,665	7,689	(30.50)	26.69	.00	33.07	33
378	**Koninklijke Wessanen**	Netherlands	1,278,964	473,737	18,758	201,151	4,174	—	—	—	—	20
399	**Toyota Auto Body**[4]	Japan	1,274,220[5]	352,283[5]	11,701[5]	97,853[5]	6,982[5]	2.64	14.62	47.92	20.45	40
384	**Morinaga Milk Industry**[4]	Japan	1,271,738	551,355	5,670	121,853	5,150	27.67	23.74	84.12	30.12	20
349	**Empresa Nacional del Petróleo**[1]	Chile	1,271,341	964,600	1,126	488,661	4,087	—	—	—	—	29
369	**Mitsubishi Rayon**[4]	Japan	1,269,970	1,223,510	22,645	229,116	6,000	6.82	22.82	54.27	28.98	22
394	**Itoham Foods**[9]	Japan	1,268,886	533,085	14,272	260,131	5,715	—	—	—	—	20
•	**Nobel Industries**	Sweden	1,265,050	1,474,099	8,063	68,568	15,857	—	—	—	—	28
385	**Consolidated-Bathurst**	Canada	1,264,695	1,331,953	56,785	585,969	14,390	48.76	43.17	48.53	39.27	26
402	**Yokohama Rubber**	Japan	1,263,971	1,319,481	17,877	119,006	10,775	19.94	13.71	72.44	19.46	30
278	**Premier Group**[4]	South Africa	1,259,378	1,156,753	56,818	666,199	33,017	—	—	—	—	20
412	**Ford Brasil**	Brazil	1,256,926	660,322	47,076	153,983	22,263	—	—	—	—	40
415	**Pearson**	Britain	1,256,845	1,231,429	89,525	562,394	30,158	164.01	63.35	205.30	52.58	27
373	**Meiji Seika**[4]	Japan	1,256,819	727,382	14,841	356,060	5,353	59.02	25.89	129.66	32.35	20
371	**Mitsubishi Mining & Cement**[4]	Japan	1,251,476	1,302,833	18,006	251,191	5,429	—	—	—	—	32
296	**KHD (Klöckner-Humboldt-Deutz)**	W. Germany	1,247,084	1,363,121	20,022	377,965	23,643	—	—	—	—	45
400	**Swedish Match**	Sweden	1,245,241	1,083,960	20,216	208,845	25,300	3.50	18.77	25.01	9.57	26
409	**Wellcome Foundation**[24]	Britain	1,235,950	1,239,937	79,802	610,093	18,342	—	—	—	—	42
376	**Oljekonsumenternas Förbund**	Sweden	1,228,848	667,630	2,579	67,974	5,059	—	—	—	—	29
374	**PETROPERU**[1]	Peru	1,227,857	968,260	38,501	30,521	11,069	—	—	—	—	29
300	**Blue Circle Industries**	Britain	1,227,176	2,421,820	102,999	1,374,484	17,127	32.64	12.69	53.22	5.24	32
427	**SEAT**[1]	Spain	1,224,958	1,675,011	(214,991)	220,047	22,988	—	—	—	—	40
397	**SNIA BPD**	Italy	1,217,588	1,802,845	49,424	235,691	14,527	—	—	—	—	28
416	**Bosch-Siemens Hausgeräte**	W. Germany	1,211,131	624,528	N.A.	175,725*	15,100	—	—	—	—	36
382	**Kuraray**[4]	Japan	1,208,950	1,214,195	6,743	108,709	8,330	70.29	65.69	145.49	74.37	28
426	**Zahnradfabrik Friedrichshafen**	W. Germany	1,208,234	1,178,330	15,896	27,045	22,600	7.92	—	43.03	—	40
460	**Omron Tateisi Electronics**[4]	Japan	1,202,223	1,015,108	44,614	425,155	12,198	—	—	—	—	36
417	**Lion**	Japan	1,201,942	862,467	18,933	290,427	4,628	136.95	33.09	241.25	39.87	43

• Not on last year's list.
N.A. Not available.
* FORTUNE estimate.
[25] Name changed from Statsforetag Group on January 1, 1985.
[26] Figures are for fiscal year ended April 20, 1985.
[27] Name changed from Nippon Reizo Kabushiki on February 1, 1985

RANK '86	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCKHOLDERS' EQUITY $000	EMPLOYEES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
401	360	Redland[1]	Britain	1,198,815	882,875	62,276	352,878	11,953	48.56	24.62	72.01	16.44	32
402	396	PETRONOR	Spain	1,192,636[2]	989,051[2]	16,452[2]	259,300[2]	715[2]	—	—	—	—	29
403	439	Esselte	Sweden	1,187,561	1,076,964	21,134	200,739	17,177	60.74	41.46	94.13	30.50	44
404	388	Philippine National Oil[3]	Philippines	1,183,431	1,195,810	45,685	306,188	7,165	—	—	—	—	29
405	438	Alfa-Laval	Sweden	1,178,739	1,400,251	61,751	353,347	15,394	38.91	35.88	67.77	25.35	45
406	392	Molson[4]	Canada	1,178,606	756,053	34,283	294,092	10,900	59.28	40.85	59.07	37.02	49
407	401	Gulf Oil Great Britain	Britain	1,173,020	247,566	40,987	176,760	753	—	—	—	—	29
408	393	Distillers[4]	Britain	1,170,440	2,107,009	157,950	1,281,979	13,900	136.94	32.74	173.64	23.97	49
409	424	Atlas Copco	Sweden	1,169,026	1,145,149	45,578	348,871	16,659	104.13	36.31	146.48	25.75	45
410	444	General Motors do Brasil	Brazil	1,164,636[e]	629,184[e]	N.A.	N.A.	23,536[e]	—	—	—	—	40
411	433	Toyoda Automatic Loom Works[1]	Japan	1,161,146[5]	800,096[5]	40,885[5]	485,303[5]	6,452[5]	34.44	19.40	94.18	25.47	40
412	413	Doosan	South Korea	1,160,326	1,168,077	15,896	224,546	14,288	—	—	—	—	49
413	395	Bharat Heavy Electricals[1,4]	India	1,157,922	1,965,517	61,566	404,416	74,464	—	—	—	—	45
414	403	Northern Engineering Industries	Britain	1,153,436	1,020,713	28,788	249,820	28,886	33.96	13.32	54.81	5.75	45
415	448	Nissan Diesel Motor[4]	Japan	1,148,499[5]	949,426[5]	3,975[5]	159,406[5]	6,467[5]	(5.61)	4.86	36.36	10.24	40
416	414	Ford España	Spain	1,146,688[4,5]	735,731[5]	57,497[5]	129,955[5]	8,578[5]	—	—	—	—	40
417	404	Nichiro Gyogyo[10]	Japan	1,142,872	707,224	(384)	49,629	3,490	—	—	—	—	20
418	•	Source Perrier[11]	France	1,139,926[4]	911,576[4]	26,098[4]	116,577[4]	12,000[4]	33.32	43.67	69.08	35.64	20
419	390	Consolidated Gold Fields[1]	Britain	1,138,879	1,985,071	94,469	889,281	13,970	(13.42)	2.59	.00	(4.20)	32
420	432	Indústrias Votorantim	Brazil	1,137,287	1,463,397	251,850	1,132,453	57,775	—	—	—	—	10
421	436	Kanto Auto Works[1]	Japan	1,135,909[5]	292,928[5]	9,286[5]	73,908[5]	5,682[5]	14.12	17.05	64.25	22.95	40
422	441	Freudenberg	W. Germany	1,135,907[4]	878,264[4]	N.A.[4]	315,827[4]	23,510[4]	—	—	—	—	40
423	•	AGA	Sweden	1,133,338	1,645,809	39,153	407,789	14,441	373.15	69.68	471.44	56.55	28
424	351	Fuji Kosan[4]	Japan	1,130,943[5]	742,291[5]	16,045[5]	(233,876)[5]	509[5]	49.35	(0.89)	114.29	4.18	29
425	340	Fed. Volksbeleggings Beperk[4]	South Africa	1,130,851	712,617	(43,612)	142,139	49,000	(27.24)	—	(63.46)	—	20
426	421	KF Industri	Sweden	1,128,490	878,909	12,126	135,129	14,835	—	—	—	—	26
427	•	Cookson Group	Britain	1,123,659[4]	488,831[4]	55,451[4]	366,596[4]	6,513[4]	209.68	83.93	258.19	71.74	33
428	410	Rütgerswerke	W. Germany	1,119,039	618,528	9,774	162,725	11,388	11.99	11.42	48.43	11.46	28
429	437	Merck	W. Germany	1,116,087[4]	N.A.[4]	N.A.[4]	N.A.[4]	20,984[4]	—	—	—	—	28
430	487	Valores Industriales	Mexico	1,113,903	1,365,784	56,561	169,206	32,937	69.57	—	(17.65)	—	49
431	454	Hispacnell[1]	Spain	1,113,470	1,140,359	15,145	422,799	782	—	—	—	—	29
432	419	ENSIDESA[1]	Spain	1,112,325	2,063,672	(104,209)	550,000	19,765	—	—	—	—	33
433	405	Kyowa Hakko Kogyo	Japan	1,109,564	1,312,524	15,998	444,544	6,117	130.76	43.02	232.72	50.25	42
434	458	ARBED	Luxembourg	1,108,042[4]	1,502,226[4]	19,032[4]	492,256[4]	13,706[4]	82.95	—	139.10	—	33
435	•	Kemira[1]	Finland	1,102,374	1,339,526	11,771	107,865	11,961	—	—	—	—	28
436	449	Nippon Seiko[11]	Japan	1,097,397	1,343,189	41,698	484,302	10,788	9.59	11.11	57.84	16.75	45
437	425	Canadian General Electric	Canada	1,093,564[5]	781,635	38,849	384,877	11,605	58.22	28.30	57.99	24.81	36
438	411	Yoshida Kogyo[4]	Japan	1,091,320	1,932,761	61,302	517,012	14,230	—	—	—	—	32
439	368	British Shipbuilders[1,4]	Britain	1,087,248	909,694	(134,066)	395,844	40,785	—	—	—	—	37
440	•	Chrysler de Mexico	Mexico	1,080,950	577,603	36,640	184,099	10,483	—	—	—	—	40
441	418	Rheinische Braunkohlenwerke	W. Germany	1,078,733[5]	2,884,621[5]	442[5]	378,913[5]	16,975[5]	—	—	—	—	10
442	•	Guinness[7,20]	Britain	1,075,507	1,420,754	63,017	373,112	19,700	16.46	39.10	34.63	29.94	49
443	407	Enso-Gutzeit[1]	Finland	1,074,720	1,917,454	8,847	499,258	15,593	—	—	—	—	26
444	352	AECI	South Africa	1,064,928	769,072	52,039	322,489	26,600	43.26	—	(27.57)	—	28
445	•	Superfos	Denmark	1,063,387	723,024	1,017	105,368	5,688	—	—	—	—	28
446	456	Douwe Egberts[2]	Netherlands	1,062,139	652,311	38,118	258,868	8,068	—	—	—	—	20
447	423	Arla[2]	Sweden	1,055,810	446,325	1,810	73,778	7,420	—	—	—	—	20
448	453	Citizen Watch[4]	Japan	1,052,904	1,016,462	27,083	358,534	10,955	38.16	17.79	99.55	23.85	38
449	•	SIDOR[1]	Venezuela	1,050,432	3,565,691	(57,422)	1,672,409	17,009	—	—	—	—	33
450	469	NTN Toyo Bearing[19]	Japan	1,050,228	1,179,142	40,783	392,484	8,643	3.52	11.72	49.57	17.44	40

• Not on last year's list.
N.A. Not available.
[e] FORTUNE estimate.
[20] Name changed from Arthur Guinness on May 1, 1985.
[19] Figures are for fiscal year ended March 20, 1985.

RANK '85	RANK '84	COMPANY	COUNTRY	SALES $000	ASSETS $000	NET INCOME $000	STOCK-HOLDERS' EQUITY $000	EMPLOY-EES	TOTAL RETURN TO INVESTORS PERCENT IN LOCAL CURRENCY 5/31/85-5/31/86	IN LOCAL CURRENCY 5-YEAR AVERAGE	IN U.S. DOLLARS 5/31/85-5/31/86	IN U.S. DOLLARS 5-YEAR AVERAGE	INDUSTRY CODE
451	467	Peuvoet	France	1,046,188	811,455	7,646	145,055	18,048	6.85	59.99	35.53	51.06	22
452	462	FAG Kugelfischer Georg Schäfer	W. Germany	1,039,893	1,062,028	35,168	268,723	29,792	–	–	–	–	34
453	•	ISAB	Italy	1,038,697	390,541	17,373	24,859	772	–	–	–	–	29
454	440	PWA	W. Germany	1,034,329[4]	660,854[4]	11,917[4]	115,280[4]	9,577[4]	–	–	–	–	26
455	•	GECHEM[30]	Belgium	1,032,358	926,648	7,420	151,665	12,165	(21.94)	–	2.00	–	28
456	434	Toyo Soda Manufacturing[4]	Japan	1,030,595	1,294,960	47,034	180,765	5,270	6.79	29.18	53.71	35.91	28
457	431	Lesieur	France	1,029,416	619,839	(866)	155,911	6,326	55.73	21.19	97.50	14.42	20
458	479	Porsche[25]	W. Germany	1,028,966	514,390	39,011	145,490	7,915	(11.09)	–	17.83	–	40
459	429	Burns Philp[2]	Australia	1,008,594	544,717	27,683	242,147	13,849	99.39	25.06	115.69	13.94	32
460	471	Rengo[4]	Japan	1,004,887	582,478	8,180	123,896	4,400	21.80	18.37	75.81	24.38	26
461	486	Minolta Camera[4]	Japan	1,002,472	1,008,243	27,570	238,367	9,660	–	–	–	–	44
462	406	Suncor	Canada	1,001,525	1,708,974	(7,321)	832,320	5,430	–	–	–	–	29
463	430	Heraeus Holding[31]	W. Germany	999,792	677,764	28,403	299,867	7,241	–	–	–	–	33
464	422	Amatil[11]	Australia	995,558	613,527	32,599	296,301	11,882	78.46	49.39	93.24	36.09	21
465	457	IMI	Britain	992,676	786,369	48,325	347,522	20,291	67.61	30.45	93.92	21.79	34
466	463	Shionogi[4]	Japan	986,873	919,693	32,663	520,649	8,313	36.75	21.47	97.35	27.61	42
467	468	USIMINAS[1]	Brazil	985,987[8]	1,751,242[8]	(70,784)[8]	660,141[8]	14,798[8]	–	–	–	–	33
468	445	China Steel[1,2]	Taiwan	984,701	2,891,725	116,617	1,843,593	8,440	–	–	–	–	33
469	446	Denki Kagaku Kogyo[4]	Japan	984,584	1,146,275	25,097	210,578	5,160	–	–	–	–	28
470	489	Siderúrgica Nacional[1]	Brazil	984,498[8]	3,574,966[8]	(771,792)[8]	949,858[8]	20,839[8]	–	–	–	–	33
471	478	Ivaco	Canada	982,981	916,295	25,730	372,260	12,000	–	–	–	–	34
472	452	Valmet[1]	Finland	981,726	1,042,923	17,312	167,734	17,143	–	–	–	–	45
473	477	Nisshinbo[32]	Japan	978,569	645,925	30,659	369,780	7,696	33.00	25.26	91.83	31.73	22
474	461	Sumitomo Rubber	Japan	975,344	1,052,404	8,555	89,843	6,900	–	–	–	–	30
475	459	Nihon Cement[21]	Japan	969,403	1,443,759	(7,767)	150,963	5,744	84.78	24.89	166.92	31.28	32
476	•	Jaguar	Britain	967,153	676,549	113,493	242,904	10,839	–	–	–	–	40
477	480	Casio Computer[29]	Japan	961,201	916,283	37,339	352,773	6,770	–	–	–	–	44
478	495	Daikin[12]	Japan	960,967	943,375	23,358	233,206	7,000	–	–	–	–	45
479	493	Jefferson Smurfit Group[16]	Ireland	950,548	688,551	31,540	223,839	11,991	198.50	42.95	284.44	37.79	26
480	464	GECAMINES[1]	Zaire	949,997	1,818,321	43,750	1,290,065	36,115	–	–	–	–	10
481	492	Syntex[28]	Panama	948,549	1,226,343	150,001	697,811	10,700	–	–	–	–	42
482	466	Elkem	Norway	948,427	1,014,512	5,000	159,367	8,738	(20.00)	18.19	(9.35)	11.09	33
483	•	Pernod Ricard	France	947,795	1,113,816	47,276	492,519	10,618	40.15	62.87	77.76	53.77	49
484	470	Royal Pkg. Industries Van Leer	Netherlands	947,548	609,475	28,220	247,924	14,062	–	–	–	–	34
485	438	Grundig[4]	W. Germany	946,260	765,007	(61,846)	229,945	22,639	–	–	–	–	36
486	476	Austria Tabakwerke[1]	Austria	944,445	527,569	8,238	197,301	2,147	–	–	–	–	21
487	455	Showa Sangyo[14]	Japan	938,347	494,697	1,809	115,625	2,254	41.18	13.31	103.03	19.06	20
488	443	Vaal Reefs Exploration & Mining	South Africa	935,163	542,773	239,532	538,109	40,055	22.91	–	(37.94)	–	10
489	490	MIM Holdings[3]	Australia	928,156	2,570,482	(14,168)	930,030	7,700	(16.08)	(11.25)	(9.22)	(19.14)	10
490	•	Butano[1]	Spain	924,489	403,507	32,929	154,041	3,195	–	–	–	–	29
491	•	Toyo Tire & Rubber[4]	Japan	919,679	679,016	5,331	34,227	3,458	6.85	13.64	53.62	19.50	30
492	483	Linde	W. Germany	919,554[4]	1,247,052[4]	25,483[4]	328,704[4]	14,362[4]	94.62	25.74	157.93	25.78	45
493	496	Kanegafuchi[4]	Japan	914,602	696,689	23,816	251,932	4,500	39.80	28.82	101.64	35.43	28
494	•	Toyo Sash[7]	Japan	911,557	927,788	14,497	288,485	10,900	–	–	–	–	34
495	492	Daicel Chemical Industries[4]	Japan	910,074	857,271	28,672	240,359	4,150	27.15	36.93	83.63	43.77	28
496	475	Carl-Zeiss-Stiftung[7]	W. Germany	909,070	935,418	12,007	134,020	24,827	–	–	–	–	38
497	•	Dillinger Hüttenwerke	W. Germany	908,966[8]	528,477[8]	219[8]	175,106[8]	5,993[8]	–	–	–	–	33
498	497	Kymmene-Strömberg	Finland	905,600	1,384,614	8,350	334,946	14,739	171.22	–	225.40	–	26
499	465	Ebara[21]	Japan	904,769	858,302	12,874	240,962	6,197	62.76	23.97	134.48	30.27	45
500	•	Israel Aircraft Industries[1,4]	Israel	901,000	1,020,965	19,806	334,873	22,000	–	–	–	–	41
		TOTALS		1,940,515,010	1,786,288,629	48,649,235	544,076,185	18,466,875					

• Not on last year's list.
[30] Name changed from PRB on October 25, 1985.
[31] Name changed from W.C. Heraeus on December 14, 1985.
[32] Figures are for fiscal year ended April 25, 1985.

CHANGES IN SALES

THE TEN BIGGEST INCREASES

	Sales rank	
VÖEST-Alpine	29	260.6%
George Weston Holdings	39	169.3
Charbonnages de France	114	161.5
Source Perrier	418	137.6
Mobil Oil Italiana	203	81.2
GECHEM	455	78.6
Showa Shell Sekiyu	60	68.2
AGA	423	66.6
Türkiye Petrolleri	63	58.9
Cookson Group	427	57.3

THE TEN BIGGEST DECREASES

National Coal Board	192	63.5%
Cockerill Sambre	360	55.0
Gulf Canada	219	45.4
TBG	270	41.7
Texaco Canada	166	35.1
YPF (Yacimientos Petrólíferos)	103	31.6
Ultramar	167	29.8
Premier Group	383	29.4
Deutsche Babcock	302	28.7
Canada Development Corp.	205	26.1

THE INDUSTRY MEDIANS

	Increases
Computers (includes office equipment)	14.1%
Motor vehicles and parts	8.0
Electronics	7.4
Aerospace	5.4
Rubber products	5.3
Soaps, cosmetics	4.1
Forest products	2.8
Publishing, printing	2.5
Chemicals	2.3
Beverages	2.0
Pharmaceuticals	1.0
Food	0.6
Metal products	0.6
Decreases	
Petroleum refining	4.9%
Textiles	3.6
Metals	1.6
Building materials	1.3
Mining, crude-oil production	0.5
Industrial and farm equipment	0.4
Tobacco	0.2

CHANGES IN PROFITS

THE TEN BIGGEST INCREASES*

	Sales rank	
Nippon Steel	33	5,621.8%
Kawasaki Steel	98	2,592.0
ISAB	453	1,977.5
Klöckner-Werke	323	1,388.2
Nobel Industries	380	1,350.8
Taiyo Fishery	104	695.8
Northern Foods	313	642.7
Procordia	352	544.9
Jujo Paper	276	385.8
Kemira	435	383.5

THE TEN BIGGEST DECREASES*

Empresa Nacional del Petróleo	377	98.1%
Esso (France)	159	97.7
Dillinger Huttenwerke	497	97.5
Daikyo Oil	115	89.8
Sumitomo Heavy Industries	355	88.9
Elkem	482	85.0
Iscor	298	84.3
General Sekiyu	176	83.6
Lucas Industries	268	76.4
Showa Denko	256	70.5

THE INDUSTRY MEDIANS

	Increases
Rubber products	81.7%
Aerospace	57.8
Forest products	30.7
Industrial and farm equipment	26.9
Metals	25.1
Computers (includes office equipment)	21.4
Building materials	15.3
Soaps, cosmetics	15.1
Chemicals	13.1
Motor vehicles and parts	10.9
Textiles	9.6
Electronics	8.2
Beverages	6.8
Pharmaceuticals	6.5
Metal products	2.5
Publishing, printing	2.4
Food	1.8
Decreases	
Tobacco	4.1%
Petroleum refining	4.0
Mining, crude-oil production	3.3

* Listings exclude money losers.

THE MONEY LOSERS

	Sales rank	Loss $000
Renault*	30	1,215,915
Siderúrgica Nacional*	470	771,792
YPF (Yacimientos Petrólíferos)*	103	697,129
IRI	3	664,000
Sacilor*	87	585,129
British Steel*	105	516,038
Petro-Canada	136	505,903
Usinor*	123	381,747
ALUSUISSE (Swiss Aluminium)	156	281,328
EFIM*	171	238,806
SEAT*	394	214,991
Johnson Matthey*	262	206,164
VÖEST-Alpine	29	189,247
Noranda*	194	185,863
Alcan Aluminium	81	180,000
BL	112	178,864
Empresa Colombiana de Petról.	310	178,677
Charbonnages de France*	114	170,729
Grupo Industrial Alfa*	324	167,944
British Shipbuilders*	439	134,066
ENSIDESA*	432	104,209
Cockerill Sambre	360	102,091
Ford-Werke*	100	85,274
USIMINAS	467	70,784
STC	190	69,702
Coal India	241	65,947
Grendig*	485	61,846
Vauxhall Motors*	246	61,411
SIDOR	449	57,422
CSR	210	52,718
Adam Opel	96	45,936
Fed. Volksbeleggings Beperk	425	43,612
Mitsubishi Oil*	116	36,074
Esso Italiana	165	28,770
Zambia Industrial & Mining*	250	24,994
Barlow Rand	79	21,569
Veba Oel*	65	20,302
MIM Holdings	489	14,168
Valeo*	372	13,434
Pioneer Electronic	358	9,883
Nihon Cement*	475	7,767
Suncor	462	7,321
Nippon Light Metal	277	7,304
Saarbergwerke*	195	5,146
Unión Explosivos Rio Tinto*	346	4,134
Mobil Oil Italiana*	203	3,809
Preussag	122	1,985
SSAB (Svenskt Stål)	339	1,859
Union Laitière Normande	366	1,172
Lesieur	457	866
Unitika	332	459
Nichiro Gyogyo	417	384

* Also lost money in 199[illegible]

ARRIVALS & DEPARTURES

NEWCOMERS AND RETURNEES*	1985 sales rank
AGA (1982: 487)	423
Butano (1983: 469)	490
Chrysler de Mexico (1981: 363)	440
Coal India	241
Cookson Group	427
Dillinger Huttenwerke (1982: 482)	497
East Asiatic	318
Feldmühle Nobel	155
GECHEM (1977: 494)	455
Guinness (1983: 452)	442
ISAB (Industria Siliciana Asfalti Bitumi) (1983: 459)	453
Israel Aircraft Industries	500
Jaguar	476
Kemira (1975: 411)	435
Nobel Industries (1980: 463)	380
Pernod Ricard (1982: 491)	483
Pertamina (1978: 147)	35
Siderúrgica del Orinoco	449
Source Perrier (1976: 388)	418
Superfos (1979: 499)	445
Toyo Sash	494
Toyo Tire & Rubber (1983: 488)	491
Tate & Lyle (1979: 156)	247
Whitbread (1983: 352)	349

DEPARTURES	1984 sales rank
Alcoa of Australia	447
Anomina Petroli Italiana	481
Brooke Bond Group[1]	288
Chemie Linz	273
Chevron Oil Italiana	473
Chiyoda Chemical Eng. & Const.	363
Commodore International	380
Driefontein Consolidated	472
Dunlop Holdings[2]	238
Du Pont Canada	488
Flick Group[3]	131
Fujisawa Pharmaceutical	485
Genstar	336
John Brown	491
Motor Oil (Hellas) Corinth Refineries	420
NOVA	176
Nan Ya Plastics	474
Nippon Sheet Glass	498
Norddeutsche Affinerie	500
Pakistan State Oil	484
Prima Meat Packers	494
Sumitomo Light Metal Industries	499
Wärtsilä	442
Zanussi Group	450

[1] Acquired by Unilever (No. 6) on October 10, 1984.
[2] Acquired by BTR (No. 95) on March 28, 1985.
[3] Company no longer operates. Some assets were sold to Feldmühle Nobel (No. 155).
* Figures in parentheses indicate year and sales rank the last time the company was listed.

THE 500 BY COUNTRY

Rank breakdown:	1-100	101-200	201-300	301-400	401-500	Total	Largest Company	$000	Rank
Argentina	0	1	0	0	0	1	YPF (Yacimientos Petróliferos)	4,703,246	103
Australia	1	0	4	1	3	9	Broken Hill Proprietary	5,631,217	84
Austria	1	1	0	0	1	3	VOEST-Alpine	13,632,904	29
Belgium	1	1	1	2	1	6	Petrofina	9,834,332	44
Brazil	1	0	1	1	4	7	Petrobrás (Petróleo Brasileiro)	16,046,448	18
Britain	10	23	17	17	10	77	British Petroleum	53,100,765	2
Canada	6	6	11	5	4	32	General Motors of Canada	13,905,168	26
Chile	0	0	0	2	0	2	CODELCO-CHILE	1,597,992	312
Colombia	0	0	0	1	0	1	Empresa Colombiana de Petról.	1,606,400	310
Denmark	0	0	0	1	1	2	East Asiatic	1,573,907	318
Finland	1	0	1	1	4	7	Neste	5,684,359	82
France	10	7	7	8	4	36	Elf-Aquitaine	20,105,843	10
India	1	2	1	0	1	5	Indian Oil	8,279,652	51
Indonesia	1	0	0	0	0	1	Pertamina	11,579,413	35
Ireland	0	0	0	0	1	1	Jefferson Smurfit Group	950,548	479
Israel	0	0	1	0	1	2	Koor Industries	1,967,137	253
Italy	4	3	1	1	1	10	IRI	26,758,000	3
Japan	24	28	33	36	26	147	Toyota Motor	26,040,288	4
Kuwait	1	0	0	0	0	1	Kuwait Petroleum	13,640,512	28
Luxembourg	0	0	0	0	1	1	ARBED	1,108,042	434
Mexico	1	0	0	1	2	4	Pemex (Petróleos Mexicanos)	20,380,539	9
Netherlands	3	0	1	3	2	9	Philips' Gloeilampenfabrieken	18,079,488	13
Netherlands Antilles	1	0	1	0	0	2	Schlumberger	6,119,447	75
Netherlands/Britain	2	0	0	0	0	2	Royal Dutch/Shell Group	81,743,514	1
New Zealand	0	0	1	0	0	1	Fletcher Challenge	2,210,359	226
Norway	1	1	0	0	1	3	Statoil	5,979,417	78
Panama	0	0	0	0	1	1	Syntex	948,549	481
Peru	0	0	0	1	0	1	PETROPERU	1,227,857	392
Philippines	0	0	0	0	1	1	Philippine National Oil	1,183,431	404
Portugal	0	0	1	0	0	1	PETROGAL (Petróleos de Portugal)	1,858,627	264
South Africa	1	0	3	1	3	8	Barlow Rand	5,861,085	79
South Korea	5	2	2	0	1	10	Samsung Group	14,193,095	23
Spain	1	1	1	2	5	10	ENPETROL	4,930,725	99
Sweden	1	4	1	8	6	20	Volvo	10,014,445	42
Switzerland	3	5	3	1	0	12	Nestlé	17,158,824	17
Taiwan	1	0	0	0	1	2	Chinese Petroleum	5,520,716	85
Turkey	1	2	0	0	0	3	Türkiye Petrolleri	6,643,699	63
Venezuela	1	0	0	0	1	2	Petróleos de Venezuela	11,846,756	34
West Germany	16	13	7	7	12	55	Siemens	17,833,563	14
Zaire	0	0	0	0	1	1	GECAMINES	949,997	480
Zambia	0	0	1	0	0	1	Zambia Industrial & Mining	1,980,326	250

TOTAL RETURN TO INVESTORS, YEAR ENDED MAY 31, 1986, IN U.S. DOLLARS

THE TEN HIGHEST	Sales rank	
AGA	423	471.44%
Fiat	22	439.64
Tabacalera	285	337.39
Michelin	91	331.20
Jefferson Smurfit Group	479	284.44
Tarmac	245	282.73
ASEA	107	277.54
Glaxo Holdings	291	273.87
Yamazaki Baking	335	261.87
Cookson Group	427	258.19
THE FIVE LOWEST		
Fed. Volksbeleggings Beperk	425	-63.46%
Dome Petroleum	279	-51.09
Sasol	290	-46.61
Vaal Reefs Exploration & Mining	488	-37.94
Canada Development Corp.	205	-32.00
THE INDUSTRY MEDIANS		
Soaps, cosmetics		190.22%
Publishing, printing		160.22
Pharmaceuticals		110.56
Building materials		105.90
Rubber products		103.36
Tobacco		93.24
Metal products		90.13
Textiles		87.82
Chemicals		83.46
Food		81.73
Forest products		77.66
Computers (includes office equipment)		65.45
Beverages		65.09
Industrial and farm equipment		60.69
Electronics		54.86
Metals		53.61
Motor vehicles and parts		49.57
Petroleum refining		48.18
Mining, crude-oil production		-2.49
All Industries		*72.18*
COUNTRY MEDIANS		
Sweden		144.23%
Australia		99.22
Switzerland		89.81
W. Germany		79.80
Japan		78.24
France		72.46
Belgium		71.41
Britain		66.64
Canada		32.80
South Africa		-32.75

TOTAL RETURN TO INVESTORS, YEAR ENDED MAY 31, 1986, IN LOCAL CURRENCIES

THE TEN HIGHEST	Sales rank	
AGA	423	373.15%
Fiat	22	336.08
Tabacalera	285	271.73
Michelin	91	240.00
Tarmac	245	231.11
Glaxo Holdings	291	223.52
ASEA	107	212.63
Cookson Group	427	209.68
News Corp.	259	204.88
Jefferson Smurfit Group	479	198.50
THE FIVE LOWEST		
Dome Petroleum	279	-51.11%
IMETAL	283	-42.58
Schlumberger	75	-38.20
Cockerill Sambre	360	-37.34
Canada Development Corp.	205	-31.91
THE INDUSTRY MEDIANS		
Soaps, cosmetics		101.11%
Publishing, printing		80.27
Tobacco		78.46
Building materials		60.62
Beverages		59.09
Rubber products		59.04
Pharmaceuticals		51.72
Metal products		48.90
Food		45.26
Forest products		41.91
Industrial and farm equipment		38.77
Chemicals		36.80
Textiles		30.53
Computers (includes office equipment)		20.12
Metals		18.08
Mining, crude-oil production		15.85
Petroleum refining		15.09
Electronics		14.77
Motor vehicles and parts		9.06
All Industries		*33.96*
COUNTRY MEDIANS		
Sweden		102.23%
Australia		84.39
Britain		42.79
Switzerland		41.38
France		35.98
W. Germany		35.67
South Africa		33.09
Canada		31.90
Belgium		31.18
Japan		23.12

AVERAGE ANNUAL TOTAL RETURN TO INVESTORS, MAY '81-MAY '86, IN U.S. DOLLARS

THE TEN HIGHEST	Sales rank	
Hanson Trust	154	135.98%
Fiat	22	119.94
Glaxo Holdings	291	112.25
Fletcher Challenge	226	96.02
ASEA	107	86.68
Volvo	42	86.16
News Corp.	259	85.34
Tarmac	245	84.31
BAT Industries	36	82.50
Imasco	181	81.74
THE FIVE LOWEST		
Dome Petroleum	279	-43.20%
MIM Holdings	489	-19.14
Canada Development Corp.	205	-11.56
Gulf Canada	219	-10.95
Johnson Matthey	262	-10.65
THE INDUSTRY MEDIANS		
Tobacco		48.00%
Publishing, printing		42.65
Soaps, cosmetics		37.17
Beverages		31.69
Textiles		31.17
Pharmaceuticals		30.30
Computers (includes office equipment)		28.86
Chemicals		28.42
Forest products		27.55
Food		26.13
Building materials		25.99
Metal products		23.86
Motor vehicles and parts		20.31
Rubber products		19.48
Petroleum refining		16.92
Electronics		13.30
Industrial and farm equipment		11.01
Metals		5.71
Mining, crude-oil production		-2.46
All Industries		*24.00*
COUNTRY MEDIANS		
Sweden		29.82%
France		25.35
Japan		24.36
W. Germany		23.03
Australia		22.56
Britain		20.38
Switzerland		18.46
Canada		12.25

AVERAGE ANNUAL TOTAL RETURN TO INVESTORS, MAY '81-MAY '86, IN LOCAL CURRENCIES

THE TEN HIGHEST	Sales rank	
Hanson Trust	154	152.63%
Fiat	22	134.61
Glaxo Holdings	291	127.23
Fletcher Challenge	226	113.87
News Corp.	259	103.46
ASEA	107	102.37
Volvo	42	101.81
Tarmac	245	97.35
BAT Industries	36	95.33
Norsk Hydro	101	89.75
THE FIVE LOWEST		
Dome Petroleum	279	-41.64%
MIM Holdings	489	-11.25
Canada Development Corp.	205	-9.09
Sumitomo Metal Industries	89	-8.65
Gulf Canada	219	-8.45
THE INDUSTRY MEDIANS		
Tobacco		62.87%
Soaps, cosmetics		37.75
Beverages		36.63
Publishing, printing		35.71
Metal products		30.96
Textiles		28.59
Chemicals		26.36
Pharmaceuticals		26.22
Computers (includes office equipment)		26.05
Food		25.67
Building materials		24.98
Forest products		23.79
Rubber products		19.97
Petroleum refining		19.25
Motor vehicles and parts		18.07
Electronics		13.26
Industrial and farm equipment		11.11
Metals		7.80
Mining, crude-oil production		3.30
All Industries		*24.12*
COUNTRY MEDIANS		
Sweden		40.72%
Australia		34.53
France		32.77
Britain		28.92
W. Germany		22.99
Japan		18.31
Switzerland		16.89
Canada		15.40

NOTES TO THE INTERNATIONAL 500

SALES

All companies on the list must have derived more than 50% of their sales from manufacturing and/or mining. Sales do not include excise taxes or customs duties levied according to either volume or value sales, and so the figures for some companies—most of which sell gasoline, liquor, or tobacco—may be lower than those published by the companies themselves. Unless otherwise noted, figures exclude intracompany transactions and include consolidated subsidiaries more than 50% owned, either fully or on a prorated basis. Figures have been converted to dollars using an exchange rate that consists of the official average rate during each company's fiscal year (ended December 31, 1985, unless otherwise noted).

ASSETS

Totals shown at each company's year-end. Figures have been converted to dollars at the official exchange rate at each company's year-end.

NET INCOME

Net income is shown after taxes, minority interests, and extraordinary items. Figures have been converted to dollars using an exchange rate that consists of the official average rate during each company's fiscal year (ended December 31, 1985, unless otherwise noted).

STOCKHOLDERS' EQUITY

Stockholders' equity is shown at each company's year-end. Minority interest is not included. Figures have been converted to dollars at the official exchange rate at each company's year-end.

EMPLOYEES

The figure shown is either a year-end or yearly average number as published.

TOTAL RETURN TO INVESTORS

Total return to investors includes both price appreciation and dividend yield to an investor in the company's stock. The figures shown assume sales at the end of May 1986 of stock owned at the end of May 1981 or 1985. Any proceeds from cash dividends, the sale of rights and warrant offerings, and stock received in spinoffs are assumed to have been reinvested on the date they were paid. Returns are adjusted for stock splits, stock dividends, recapitalizations, and corporate reorganizations as they occur; however, no effort has been made to reflect the cost of brokerage commissions or of taxes. For all companies, share prices used are those quoted on local exchanges. Results are not listed if shares are not publicly traded or are traded on only a limited basis. If a company has more than one class of shares outstanding, only the more widely held and actively traded have been considered.

Total return percentages shown are the returns received by a hypothetical investor as described above. The five-year figures are annual averages, compounded.

INDUSTRY CODE

Industry code numbers used in the directory indicate which industry represents the greatest volume of industrial sales for each company. The numbers refer to the industry groups below, which are based on categories established by the U.S. Office of Management and Budget and issued by the Federal Statistical Policy and Standards Office. They are the same industry groups as those shown in the tables beginning on page 200. The median figures in the tables refer only to results of companies in the 500. No attempt has been made to calculate medians in groups or countries with fewer than four companies.

Mining, crude-oil production	10
Food	20
Tobacco	21
Textiles	22
Apparel	23
Furniture	25
Forest products	26
Publishing, printing	27
Chemicals	28
Petroleum refining	29
Rubber products	30
Leather	31
Building materials	32
Metals	33
Metal products	34
Electronics	36
Transportation equipment	37
Scientific and photographic equipment	38
Motor vehicles and parts	40
Aerospace	41
Pharmaceuticals	42
Soaps, cosmetics	43
Computers (includes office equipment)	44
Industrial and farm equipment	45
Jewelry, silverware	46
Toys, sporting goods	47
Beverages	49

Most of the figures in this FORTUNE International 500 Directory were prepared by Carrie Gottlieb and Alan Farnham.

COMPANY	RANK
A	
ACI International	258
AECI	444
AEG Aktiengesellschaft	138
AGA	423
ALUSUISSE (Swiss Aluminium)	156
ARBED	434
ASEA	107
Abitibi-Price	263
Aérospatiale	133
Aisin Seiki	287
Ajinomoto	235
Akzo Group	86
Alcan Aluminium	81
Alfa-Laval	405
Allied-Lyons	150
Alps Electric	326
Amatil	464
Arla	447
Asahi Chemical Industry	121
Asahi Glass	145
Atlas Copco	409
Austria Tabakwerke	486
Avions Marcel Dassault-Breguet	230
B	
BASF	20
BAT Industries	36
BICC	182
BL	112
BMW (Bayerische Motoren Werke)	97
BOC Group	208
BSN	162
BTR	95
Babcock International	351
Barlow Rand	79
Bass	223
Bayer	19
Beecham Group	175
Béghin-Say	367
Bertelsmann	201
Bharat Heavy Electricals	413
Blue Circle Industries	393
Boehringer Ingelheim	328
Bosch (Robert)	58
Bosch-Siemens Hausgeräte	396
Bowater Industries	303
Bridgestone	142
British Aerospace	146
British Petroleum	2
British Shipbuilders	439
British Steel	105
Britoil	211
Broken Hill Proprietary	84
Brown Boveri	83
Bull	278
Burmah Oil	260
Burns Philp	459
Butano	490
C	
CEPSA (Española de Petróleos)	160
CGE (Cie Générale d'Électricité)	48
CODELCO-CHILE (Corporación Nacional del Cobre)	312
CSR	210
Cadbury Schweppes	199
Canada Development Corp.	205
Canada Packers	213
Canadian General Electric	437
Canadian Pacific	40
Canon	125
Carl-Zeiss-Stiftung	496
Casio Computer	477
Charbonnages de France	114
China Steel	468
Chinese Petroleum	85
Chrysler Canada	92
Chrysler de Mexico	440
Ciba-Geigy	55
Citizen Watch	448
Coal India	241
Coats Patons	362
Cockerill Sambre	360
Conoco	187
Consolidated-Bathurst	381
Consolidated Gold Fields	419
Continental Gummi-Werke	299
Cookson Group	427
Courtaulds	185
D	
DSM	57
Daewoo	49
Dai Nippon Printing	169
Daicel Chemical Industries	495
Daido Steel	308
Daihatsu Motor	222
Daikin	478
Daikyo Oil	115
Daimler-Benz	16
Dainippon Ink & Chemicals	261
Daishowa Paper	333
Dalgety	110
De Beers Consolidated Mines	271
Degussa	131
Denki Kagaku Kogyo	469
Deutsche Babcock	302
Deutsche Texaco	164
Dillinger Hüttenwerke	497
Distillers	408
Dofasco	344
Dome Petroleum	279
Domtar	322
Doosan	412
Douwe Egberts	446
Dow Chemical Europe	120
Dunlop Olympic	348
E	
EFIM	171
ENI	5
ENPETROL (Empresa Nacional del Petróleo)	99
ENSIDESA (Empresa Nacional Siderúrgica)	432
East Asiatic	318
Ebara	499
Electrolux	108
Elf-Aquitaine	10
Elkem	482
Empresa Colombiana de Petról.	310
Empresa Nacional del Petróleo	377
Enso-Gutzeit	443
Entreprise Minière et Chimique	295
Ericsson (L.M.) Telephone	132
Esselte	403
Esso (France)	159
Esso (Germany)	66
Esso Belgium	232
Esso Italiana	165
Esso Nederland	316
Esso UK	50
F	
FAG Kugelfischer Georg Schafer	452
Fed. Volksbeleggings Beperk	425
Feldmühle Nobel	155
Fiat	22
Fletcher Challenge	226
Ford Brasil	384
Ford España	416
Ford Motor (Britain)	90
Ford Motor of Canada	45
Ford-Werke	100
Française des Pétroles	11
Freudenberg	422
Fuji Electric	237
Fuji Heavy Industries	186
Fuji Kosan	424
Fuji Photo Film	172
Fujitsu	68
Furukawa Electric	196
G	
GECAMINES	480
GECHEM	455
Gallaher	265
General Electric (Britain)	64
General Motors do Brasil	410
General Motors of Canada	26
General Sekiyu	176
Glaxo Holdings	291
Grand Metropolitan	76
Grundig	485
Grupo Industrial Alfa	324
Guest Keen & Nettlefolds	177
Guinness	442
Gulf Canada	219
Gulf Oil Great Britain	407
Gutehoffnungshütte	113
H	
Hachette	371
Hanson Trust	154
Hattori Seiko	243
Hawker Siddeley Group	242
Heineken	314
Henkel	163
Heraeus Holding	463
Hillsdown Holdings	341
Hino Motors	275
Hiram Walker Resources	193
Hispanoil	431
Hitachi	8
Hitachi Zosen	255
Hoechst	21
Hoesch	191
Holderbank Financière Glaris	342
Honda Motor	41
Honshu Paper	331
Hoogovens Groep	218
Hüls	266
Hyosung	204
Hyundai	25
I	
IBM Deutschland	111
IBM France	118
IBM Japan	130
IBM United Kingdom Holdings	127
IMETAL	283
IMI	465
IRI	3
ISAB (Industria Siliciana Asfalti Bitumi)	453
Idemitsu Kosan	46
Imasco	181
Imperial Chemical Industries	27
Imperial Group	148
Imperial Oil	69
Inco	338
Indian Oil	51
Indústrias Votorantim	420
International Thomson Org.	215
Iscor	298
Ishikawajima-Harima Heavy Ind.	129
Israel Aircraft Industries	500
Isuzu Motors	109
Itoham Foods	379
Ivaco	471
J	
Jacobs Suchard	229
Jaguar	476
Jefferson Smurfit Group	479
Johnson Matthey	262
Jujo Paper	276
K	
KF Industri	426
KHD (Klöckner-Humboldt-Deutz)	388
Kanebo	231
Kanegafuchi	493
Kanto Auto Works	421
Kao	307
Kawasaki Heavy Industries	149
Kawasaki Steel	98
Kemira	435
Kirin Brewery	209
Klöckner-Werke	323
Koa Oil	257
Kobe Steel	88
Koç Holding	173
Komatsu	152
Koninklijke Wessanen	374
Konishiroku Photo Industry	354
Koor Industries	253
Korea Explosives	180
Krupp (Fried.)	71
Kubota	189
Kuraray	397
Kuwait Petroleum	28
Kymmene-Strömberg	498
Kyocera	365
Kyowa Hakko Kogyo	433
L	
Labatt (John)	273
Lafarge Coppée	252
L'Air Liquide	224
Lesieur	457
Linde	492
Lion	400
L'Oréal	272
Lucas Industries	268
Lucky-Goldstar	43

M	
MBB (Messerschmitt-Bölkow-Blohm)	244
MIM Holdings	489
MacMillan Bloedel	296
Mannesmann	74
Maruzen Oil	77
Massey-Ferguson	368
Matra	305
Matsushita Electric Industrial	7
Matsushita Electric Works	198
Mazda Motor	62
Meiji Milk Products	319
Meiji Seika	386
Merck	429
Metal Box	353
Metallgesellschaft	139
Métallurgie Hoboken-Overpelt	350
Michelin	91
Minolta Camera	461
Mitsubishi Chemical Industries	93
Mitsubishi Electric	52
Mitsubishi Gas Chemical	363
Mitsubishi Heavy Industries	24
Mitsubishi Metal	212
Mitsubishi Mining & Cement	387
Mitsubishi Oil	116
Mitsubishi Petrochemical	269
Mitsubishi Rayon	378
Mitsui Engineering & Shipbldg.	347
Mitsui Mining	321
Mitsui Mining & Smelting	373
Mitsui Petrochemical	361
Mitsui Toatsu Chemicals	254
Mobil Oil (Britain)	330
Mobil Oil (Germany)	143
Mobil Oil Française	311
Mobil Oil Italiana	203
Molson	406
Montedison	56
Moore	240
Morinaga Milk Industry	376
N	
NEC	47
NTN Toyo Bearing	450
National Coal Board	192
Neste	82
Nestlé	17
News Corp.	259
Nichirei	356
Nichiro Gyogyo	417
Nihon Cement	475
Nippon Gakki	304
Nippon Kokan	70
Nippon Light Metal	277
Nippon Meat Packers	315
Nippon Mining	94
Nippon Oil	32
Nippon Seiko	436
Nippon Steel	33
Nippon Suisan	225
Nippondenso	128
Nissan Diesel Motor	415
Nissan Motor	12
Nissan Shatai	236
Nisshin Flour Milling	325
Nisshin Steel	301
Nisshinbo	473
Nixdorf Computer	364
Nobel Industries	380
Nokia	282
Noranda	194
Norsk Hydro	101
Northern Engineering Industries	414
Northern Foods	313
Northern Telecom	117
O	
ÖMV (Österreichische Mineralölverwaltung)	170
Oerlikon-Bührle	251
Oil & Natural Gas Commission	153
Oji Paper	228
Oki Electric Industry	297
Olivetti	158
Oljekonsumenternas Förbund	391
Omron Tateisi Electronics	399
Onoda Cement	359
Opel (Adam)	96
P	
PETROGAL (Petróleos de Portugal)	264
PETRONOR (Petróleos del Norte)	402
PETROPERU	392
PWA	454
Pearson	385
Pechiney	126
Pemex (Petróleos Mexicanos)	9
Pernod Ricard	483
Pertamina	35
Petro-Canada	136
Petrobrás (Petróleo Brasileiro)	18
Petrofina	44
Petróleos de Venezuela	34
Peugeot	38
Philippine National Oil	404
Philips' Gloeilampenfabrieken	13
Pilkington Brothers	327
Pioneer Concrete Services	233
Pioneer Electronic	358
Pirelli	140
Plessey	281
Pohang Iron & Steel	206
Porsche	458
Premier Group	383
Preussag	122
Procordia	352
Prouvost	451
R	
RMC Group	284
Racal Electronics	357
Rank Xerox	217
Ranks Hovis McDougall	309
Rauma-Repola	370
Reckitt & Colman	306
Redland	401
Reed International	188
Renault	30
Rengo	460
Rheinische Braunkohlenwerke	441
Rhône-Poulenc	72
Ricoh	220
Rio Tinto-Zinc	59
Roche / Sapac	141
Rolls-Royce	239
Rothmans International	147
Rowntree Mackintosh	320
Royal Dutch / Shell Group	1
Royal Pkg. Industries Van Leer	484
Ruhrkohle	53
Rütgerswerke	428
S	
SEAT	394
SIDOR	449
SKF	214
SNECMA	317
SNIA BPD	395
SSAB (Svenskt Stål)	339
STC	190
Saab-Scania	135
Saarbergwerke	195
Sabanci (Haci Ömer) Holding	174
Sacilor	87
Saint-Gobain	54
Salzgitter	168
Samsung	23
Sandoz	144
Sandvik Group	345
Sankyo	343
Sanyo Electric	73
Sanyo-Kokusaku Pulp	293
Sasol	290
Schering	289
Schlumberger	75
Seagram	249
Sekisui Chemical	300
Sharp	106
Shin-Etsu Chemical	329
Shionogi	466
Shiseido	337
Showa Denko	256
Showa Sangyo	487
Showa Shell Sekiyu	60
Siderúrgica Nacional	470
Siemens	14
Snow Brand Milk Products	151
Solvay	134
Sony	80
Source Perrier	418
Ssangyong	137
Standard Elektrik Lorenz	294
Statoil	78
Steel Authority of India	178
Stelco	280
Stora Kopparbergs Bergslags	334
Sulzer Brothers	267
Sumitomo Chemical	119
Sumitomo Electric Industries	179
Sumitomo Heavy Industries	355
Sumitomo Metal Industries	89
Sumitomo Metal Mining	288
Sumitomo Rubber	474
Suncor	462
Sunkyong	67
Superfos	445
Suzuki Motor	184
Svenska Cellulosa	340
Swedish Match	389
Syntex	481
T	
TBG	270
TDK	286
TI Group	369
Tabacalera	285
Taiyo Fishery	104
Takeda Chemical	221
Tarmac	245
Tate & Lyle	247
Teijin	202
Texaco (Britain)	161
Texaco Canada	166
Thomson	61
Thorn EMI	124
Thyssen	37
Toa Nenryo Kogyo	102
Tokyo Sanyo Electric	227
Toppan Printing	183
Toray Industries	157
Toshiba	31
Toyo Sash	494
Toyo Seikan	216
Toyo Soda Manufacturing	456
Toyo Tire & Rubber	491
Toyobo	238
Toyoda Automatic Loom Works	411
Toyota Auto Body	375
Toyota Motor	4
Türkiye Petrolleri	63
U	
USIMINAS	467
Ube Industries	207
Ultramar	167
Unigate	200
Unilever	6
Unión Explosivos Rio Tinto	346
Union International	292
Union Laitière Normande	366
United Biscuits (Holdings)	197
Unitika	332
Usinor	123
V	
VIAG	248
VÖEST-Alpine	29
Vaal Reefs Exploration & Mining	488
Vale do Rio Doce	274
Valeo	372
Vallourec	336
Valmet	472
Valores Industriales	430
Vauxhall Motors	246
Veba Oel	65
Volkswagen	15
Volvo	42
W	
Wellcome Foundation	390
Weston (George) Holdings	39
Whitbread	349
Y	
YPF (Yacimientos Petróliferos)	103
Yamaha Motor	234
Yamazaki Baking	335
Yokohama Rubber	382
Yoshida Kogyo	438
Z	
Zahnradfabrik Friedrichshafen	398
Zambia Industrial & Mining	250

THE LARGEST BANKS OUTSIDE THE U.S.

In commercial banking, the Japanese dominate. They claim 30 slots on FORTUNE's list—five at the very top. But if you're interested in profit gains, look to the Europeans.

THE SUN of Japanese banking continues to rise in FORTUNE's directory of the largest commercial banks outside the U.S. Consider the ways in which Japanese banks shine:

▶ For the third year Dai-Ichi Kangyo Bank of Tokyo tops the rankings, with assets of $166 billion. That puts Dai-Ichi right on the heels of America's Citicorp, the biggest bank of all.

▶ Once again Japanese banks hold the top five positions in this directory, and a sixth has joined the top ten.

▶ Japan has 30 banks among the 100, one more than last year, and 21 are among the top 50. As recently as 1982, French banks dominated the top of the list. Japan has more banks among the 100 than France, Britain, and West Germany combined.

Currency translations gave Japan some help in this showing, because banks are ranked by the dollar value of assets. With the yen strengthening against the dollar, the Japanese banks' impressive gains in yen—as much as 25%—look even better when translated into U.S. currency.

Japan did not hog the good news. For the 100 banks as a whole, 1985 was satisfying. Assets rose 24%, deposits 22%, and net income 13%. Profits look especially robust when compared with the anemic 5.7% gain in 1984—and 1983's 1.6% *decline*.

Surprisingly, Japanese banks were laggards in profitability. Dai-Ichi ranks only 16th in net income, and three Japanese banks are among the ten with the biggest decreases in earnings. The sharpest decline, however, was that of West Germany's Bank für Gemeinwirtschaft, whose net income plunged 77%. It didn't really do badly; it paid its parent holding company a dividend in 1985 that was not paid in 1984.

Nine of the ten biggest increases were posted by European banks. (The tenth: Australia's Australia & New Zealand Banking Group.) Banco Hispano Americano of Madrid (No. 95) reported the biggest gain in net income—a staggering 10,799%—after recovering from a disastrous 1984, when it had to set aside a huge sum as a bad-debt provision for a subsidiary.

Four banks on this year's FORTUNE directory did not make last year's list: Banco Hispano Americano and another Spanish institution, Banco de Bilbao (No. 100), Italy's Banco di Sicilia (No. 96), and Japan's Shizuoka Bank (No. 98). Bumped from the list by faster-growing brethren were National Commercial Bank of Saudi Arabia, another victim of dropping oil prices (No. 93 last year); Belgium's Kredietbank (No. 94); and South Korea's Bank of Seoul (No. 100). Iraq's Rafidain Bank, which was No. 63 on last year's list, is also among the missing this year. Rafidain Bank failed to provide an annual report or other published data.

In case there is any doubt, the banks outside the U.S. rank low in nobody's league. The smallest bank on this list, Banco de Bilbao, had assets of $17.5 billion. In America it would rank No. 30, ahead of Houston's First City Bancorp. of Texas. And it earned nearly three times as much as First City. Not bad, Banco de Bilbao.

— Anthony Ramirez

RESEARCH ASSOCIATE *Philip Mattera*

RANK '85	RANK '84	BANK
1	1	Dai-Ichi Kangyo Bank [7,8]
2	2	Fuji Bank [7,8]
3	3	Sumitomo Bank [7,8]
4	4	Mitsubishi Bank [7,8]
5	5	Sanwa Bank [7,8]
6	6	Banque Nationale de Paris [9]
7	7	Caisse Nationale de Crédit Agricole [9]
8	8	Crédit Lyonnais [9]
9	14	National Westminster Bank
10	13	Industrial Bank of Japan [7,8]
11	9	Société Générale [9]
12	17	Deutsche Bank [10]
13	10	Barclays Bank
14	15	Tokai Bank [7,8]
15	16	Mitsui Bank [7,8]
16	19	Long-Term Credit Bank of Japan [7,8]
17	12	Norinchukin Bank [7,11]
18	18	Midland Bank
19	21	Mitsubishi Trust & Banking [7,8]
20	24	Sumitomo Trust & Banking [7,8]
21	11	Bank of Tokyo [11]
22	23	Taiyo Kobe Bank [7,8]
23	27	Dresdner Bank [10]
24	26	Cie Financière de Paris et des Pays-Bas [9]
25	28	Mitsui Trust & Banking [7,8]
26	20	Royal Bank of Canada [13]
27	22	Hongkong & Shanghai Banking
28	29	Daiwa Bank [7,8]
29	32	Union Bank of Switzerland [7]
30	34	Yasuda Trust & Banking [7,8]
31	36	Swiss Bank Corp. [7]
32	31	Lloyds Bank
33	25	Bank of Montreal [13]
34	35	Banca Nazionale del Lavoro [9]
35	38	Westdeutsche Landesbank Girozentrale [9,10]
36	33	Banco do Brasil [9]
37	44	Commerzbank [10]
38	30	Canadian Imperial Bank of Commerce [13]
39	43	Bayerische Vereinsbank [10]
40	39	Nippon Credit Bank [7,8]
41	40	Algemene Bank Nederland
42	45	Kyowa Bank [7,8]
43	51	Toyo Trust & Banking [7,8]
44	50	Amsterdam-Rotterdam Bank
45	47	Rabobank
46	42	Banca Commerciale Italiana [9]
47	54	Bayerische Hypotheken -und Wechsel-Bank [10]
48	37	Bank of Nova Scotia [13]
49	49	Saitama Bank [7,8]
50	55	Bayerische Landesbank Girozentrale [7]

[1] Asset figures have been converted into U.S. dollars using the market rate prevailing at each bank's fiscal year-end, which is December 31, 1985, unless otherwise noted. Chuo Trust & Banking, Daiwa Bank, Mitsubishi Trust & Banking, Mitsui Trust & Banking, Sumitomo Trust & Banking, Toyo Trust & Banking, and Yasuda Trust & Banking include holdings of major trusts in their assets.

COUNTRY	ASSETS[1] $000	INCREASE (DECREASE) IN U.S. DOLLARS PERCENT	INCREASE (DECREASE) IN LOCAL CURRENCIES PERCENT	DEPOSITS[2] $000	DEPOSITS[2] RANK	LOANS[3] $000	NET INCOME[4] $000	STOCK-HOLDERS' EQUITY[5] $000	OFFICES[6]	EMPLOYEES
Japan	165,653,339	32.03	15.78	122,824,961	1	93,209,099	266,488	2,736,693	375	21,125
Japan	145,763,547	25.83	10.33	105,913,635	2	75,831,958	298,056	3,063,238	289	15,836
Japan	140,514,323	22.25	7.20	103,830,998	4	74,171,275	321,529	3,047,007	256	14,486
Japan	135,162,379	21.73	6.74	98,703,215	7	72,915,524	271,033	2,655,196	235	15,075
Japan	129,546,125	26.49	10.91	96,840,005	8	72,064,702	261,033	2,464,240	273	15,766
France	123,958,594	26.01	(2.00)	102,703,743	5	97,733,134	221,222	2,457,554	2,621	59,294
France	123,767,206	34.74	4.80	102,320,733	6	106,558,521	123,239	3,482,864	10,605	74,091
France	112,252,302	24.82	(2.92)	103,857,632	3	103,462,487	133,949	1,455,243	2,585	54,870
Britain	104,716,260	26.44	1.33	93,568,085	9	90,429,545	572,648	4,313,325	3,788	92,000
Japan	98,523,635	18.31	3.75	85,762,157	11	60,060,744	187,204	2,096,716	30	5,601
France	98,322,661	13.55	(11.68)	82,860,476	12	87,409,189	145,592	1,994,658	2,201	44,172
W. Germany	96,946,249	31.68	2.13	87,188,955	10	76,810,796	368,566	3,678,791	1,410	48,851
Britain	94,203,885	10.50	(11.45)	79,658,515	13	82,864,970	583,012	4,780,060	4,062	105,900
Japan	94,030,725	20.80	5.92	72,829,903	16	53,820,808	150,023	1,668,661	243	13,748
Japan	92,003,446	22.29	7.23	69,425,256	20	54,193,446	145,954	1,646,212	233	11,331
Japan	87,212,074	24.78	9.42	68,055,030	21	50,347,529	114,213	1,622,956	27	3,447
Japan	86,360,964	3.21	15.26	76,985,633	14	44,978,319	100,242	507,865	39	3,143
Britain	83,916,930	17.87	(5.54)	75,806,145	15	70,267,460	158,061	2,668,915	3,000	78,590
Japan	83,221,515	32.88	16.52	70,964,203	18	38,383,233	91,456	977,390	59	6,313
Japan	81,951,973	38.14	21.13	70,225,982	19	38,956,992	92,190	977,737	58	5,937
Japan	81,918,378	(2.20)	9.22	55,795,390	29	40,911,629	137,946	1,295,076	295	14,235
Japan	78,313,727	28.22	12.43	58,460,245	25	47,457,566	86,903	1,352,928	361	14,773
W. Germany	77,100,026	39.22	7.98	71,879,064	17	61,323,696	146,885	2,170,085	1,181	33,098
France	73,420,579	31.47	2.26	22,116,817	74	40,881,518	116,973	1,202,398	N.A.	28,000[12]
Japan	73,089,958	34.29	17.75	62,166,254	22	37,793,085	75,775	813,409	61	5,503
Canada	70,249,388	4.97	9.11	61,123,038	24	46,700,909	360,294	3,049,350	1,494	37,430
Hong Kong	69,882,805	13.54	13.29	61,610,631	23	41,980,532	348,966	2,802,690	1,208	46,000
Japan	69,197,921	29.59	13.63	57,859,210	26	34,106,111	64,909	917,977	192	9,740
Switzerland	67,695,689	34.38	6.43	57,046,563	27	53,903,882	281,190	3,913,439	259	18,677
Japan	64,780,185	37.70	20.74	53,500,527	31	30,427,718	52,197	626,762	60	5,161
Switzerland	62,103,359	35.71	7.48	52,559,124	33	48,881,360	245,201	3,585,735	220	14,825
Britain	61,610,465	20.89	(3.12)	56,693,130	28	53,632,620	531,189	3,326,390	2,938	70,982
Canada	60,301,215	3.67	7.75	52,230,053	34	38,020,352	250,369	2,525,956	1,215	33,280
Italy	59,275,531	26.12	8.66	50,936,636	35	39,470,640	135,897	2,919,386	414	25,379
W. Germany	58,074,924	29.49	0.43	53,969,795	30	46,873,136	15,780	1,643,836	13	7,291
Brazil	56,141,599	18.37	289.97	21,955,598	75	47,907,683	1,379,675	4,339,377	2,276	117,498
W. Germany	56,078,634	44.21	11.85	52,815,211	32	45,886,408	116,739	1,363,325	882	24,154
Canada	55,483,128	7.11	11.33	47,620,428	37	40,566,014	266,737	2,452,106	1,630	33,587
W. Germany	54,106,624	37.49	6.64	50,709,369	36	46,626,243	70,779	1,055,340	462	13,078
Japan	52,230,952	23.52	8.31	43,359,127	41	32,100,074	69,877	1,014,374	24	2,112
Netherlands	51,678,286	25.33	(3.18)	46,375,454	38	29,269,789	143,925	1,502,179	958	28,688
Japan	49,564,905	29.25	13.34	38,035,524	46	28,837,464	68,096	873,048	240	10,043
Japan	49,327,298	42.75	25.18	43,289,238	42	20,378,919	50,122	538,568	60	4,825
Netherlands	48,603,849	38.76	7.19	43,811,547	40	25,169,208	102,374	1,416,485	823	23,260
Netherlands	47,837,432	33.84	3.39	44,603,308	39	34,496,975	201,182	2,559,232	3,467	30,542
Italy	46,524,460	17.25	1.02	41,875,959	44	32,859,832	159,047	1,376,499	559	22,659
W. Germany	46,031,685	38.13	7.14	42,924,011	43	40,258,776	72,629	1,042,555	490	11,898
Canada	44,680,125	(0.62)	3.29	38,560,329	45	30,453,263	224,108	1,901,069	1,192	25,753
Japan	44,343,145	25.42	9.98	35,457,931	50	25,055,136	62,370	877,381	200	8,683
W. Germany	44,246,348	33.17	3.29	36,021,477	49	34,112,768	48,568	1,064,978	5	4,057

[2] Deposit figures have been converted into U.S. dollars using the market rate as of each bank's fiscal year-end. Figures for all German banks include their own bonds; so do the figures for Bank of Toyko, Industrial Bank of Japan, Long-Term Credit Bank of Japan, and Norinchukin Bank. Banco do Brasil includes funds for refinancing.

[3] Loan figures have been converted into U.S. dollars using the market rate prevailing at each bank's fiscal year-end. Figures include loans to banks and money at call or available on short notice.

[4] Net income figures have been converted into U.S. dollars using the average rate in the official exchange market during the bank's fiscal year. Net income is after taxes and excludes minority interest.

[5] Stockholders' equity figures have been converted into U.S. dollars using the market rate prevailing at each bank's fiscal year-end. Equity is the sum of capital stock, surplus, and retained earnings. Figures for all French banks are before appropriation of profits.

[6] Includes head office, branches, and agencies.

N.A. Not available.

RANK '85	RANK '84	BANK	COUNTRY	ASSETS $000	INCREASE (DECREASE) IN U.S. DOLLARS PERCENT	INCREASE (DECREASE) IN LOCAL CURRENCIES PERCENT	DEPOSITS $000	DEPOSITS RANK	LOANS $000
51	56	Credit Suisse [7]	Switzerland	43,039,609	33.22	5.51	36,456,378	48	31,918,078
52	52	Istituto Bancario San Paolo di Torino [9]	Italy	42,449,397	23.99	6.83	33,468,799	57	18,894,318
53	70	Deutsche Genossenschaftsbank [10]	W. Germany	42,396,710	60.69	24.63	37,787,163	47	33,097,379
54	41	Standard Chartered Bank	Britain	41,664,263	4.41	(16.33)	35,346,578	51	34,585,063
55	64	Banco di Roma [9]	Italy	40,766,083	40.80	21.31	33,079,106	58	29,448,914
56	68	Cie Financière de Suez [9]	France	40,061,616	46.69	14.09	10,853,601	100	21,733,621
57	59	Monte dei Paschi di Siena [9,10]	Italy	39,593,722	30.80	12.69	33,649,426	56	30,085,423
58	57	Hokkaido Takushoku Bank [7,8]	Japan	38,095,917	22.20	7.15	28,219,801	62	20,510,633
59	61	Cassa di Risparmio delle Provincie Lombarde	Italy	38,042,136	27.82	10.12	29,623,972	60	16,757,943
60	65	Norddeutsche Landesbank Girozentrale [9,10]	W. Germany	37,848,437	35.42	5.03	34,646,686	52	30,963,736
61	58	Credito Italiano [9]	Italy	37,453,727	23.19	6.14	33,767,431	55	27,997,832
62	46	Shoko Chukin Bank [7,9,11]	Japan	37,372,976	(1.03)	10.52	33,861,124	54	31,299,737
63	69	Générale de Banque	Belgium	36,897,722	36.51	8.05	34,567,952	53	34,175,884
64	48	Toronto-Dominion Bank [12]	Canada	36,741,509	3.69	7.77	31,819,027	59	26,561,460
65	60	State Bank of India [9]	India	36,219,315	21.09	18.45	24,614,006	66	15,870,224
66	66	Crédit Industriel et Commercial [9]	France	35,525,051	28.08	(0.38)	29,246,230	61	15,693,158
67	53	Westpac Banking [8]	Australia	34,500,969	2.94	21.56	22,994,814	71	22,562,533
68	67	Bank of Yokohama [7,8]	Japan	34,355,594	24.82	9.45	27,246,342	63	21,447,935
69	80	Groupe des Banques Populaires	France	30,480,986	51.15	17.56	16,838,095	89	12,424,775
70	74	Banco di Napoli [7,9]	Italy	30,320,749	35.84	17.04	26,316,163	64	13,238,193
71	62	Australia & New Zealand Banking [8]	Australia	30,033,037	1.04	19.32	20,042,453	77	18,526,617
72	77	Chuo Trust & Banking [7,8]	Japan	29,569,617	42.15	24.65	26,044,254	65	12,906,291
73	75	Hessische Landesbank-Girozentrale- [10]	W. Germany	28,068,854	29.15	0.17	22,675,415	72	7,406,948
74	76	Banque Bruxelles Lambert [8]	Belgium	27,436,376	29.98	13.42	24,565,073	67	9,249,526
75	81	Bank für Gemeinwirtschaft [10]	W. Germany	26,018,599	30.91	1.54	24,528,276	68	20,677,566
76	83	Nederlandsche Middenstandsbank	Netherlands	25,485,839	32.94	2.70	23,572,622	69	16,780,320
77	73	National Australia Bank [8,9]	Australia	24,801,103	8.77	28.45	15,541,694	93	18,463,539
78	72	Zenshinren Bank [7,11]	Japan	24,719,853	4.84	17.08	23,092,936	70	11,800,028
79	85	Creditanstalt-Bankverein [9,14]	Austria	24,330,931	35.44	5.23	22,505,125	73	13,995,247
80	84	Banque Française du Commerce Extérieur [9]	France	24,196,360	31.54	2.31	11,305,474	99	12,659,398
81	86	Crédit Communal de Belgique [14]	Belgium	24,070,334	34.85	6.74	21,425,198	76	13,201,432
82	71	Commonwealth Banking [9,15]	Australia	23,450,816	(10.74)	15.03	16,879,087	88	13,775,689
83	92	Crédit Mutuel	France	23,403,263	44.14	12.11	18,488,178	80	10,695,971
84	79	Skandinaviska Enskilda Banken	Sweden	23,088,845	13.92	(3.95)	17,761,584	83	12,482,376
85	96	ASLK-CGER [14]	Belgium	22,530,749	40.93	11.55	19,069,331	78	21,732,967
86	78	Bank Leumi le-Israel [10]	Israel	22,178,830	7.49	152.36	18,269,292	81	12,793,040
87	82	Bank Hapoalim	Israel	21,969,354	14.53	168.88	15,089,611	94	17,555,309
88	90	Banco Central	Spain	21,917,505	32.62	17.64	17,180,734	86	8,679,246
89	87	Svenska Handelsbanken	Sweden	21,749,175	24.22	4.73	15,797,756	92	11,370,165
90	89	Crédit Commercial de France [9]	France	21,668,995	30.08	1.17	17,733,515	84	20,096,296
91	88	Hokuriku Bank [7,8]	Japan	21,250,471	24.21	8.91	18,163,640	82	15,251,801
92	91	Royal Bank of Scotland [8]	Britain	21,171,304	28.17	12.29	18,556,706	79	17,979,362
93	95	Post-och Kreditbanken [9]	Sweden	20,862,852	30.09	9.68	17,402,538	85	10,866,323
94	97	Chiba Bank [7,8]	Japan	19,764,069	24.35	9.04	16,979,557	87	14,826,291
95	•	Banco Hispano Americano	Spain	19,260,838	45.84	29.36	13,116,894	98	8,426,049
96	•	Banco di Sicilia [9]	Italy	18,829,097	25.21	7.88	14,905,592	95	10,798,559
97	98	Joyo Bank [7,8]	Japan	18,485,630	21.58	6.61	16,278,166	90	12,814,758
98	•	Shizuoka Bank [7,8]	Japan	18,340,023	23.11	7.95	16,141,995	91	12,333,727
99	99	Banco Español de Crédito [7,14]	Spain	18,090,370	19.55	6.05	14,067,901	96	7,113,723
100	•	Banco de Bilbao	Spain	17,536,719	43.94	27.68	13,756,264	97	7,670,890
		TOTALS		5,390,027,048			4,371,025,805		3,513,009,330

[7] Parent company only.
[8] Figures are for fiscal year ended September 30, 1985.
[9] Government-owned.
[10] Excludes some subsidiaries more than 50% owned.
[11] Figures are for fiscal year ended March 31, 1985.
[12] Average for the year.
[13] Figures are for fiscal year ended October 31, 1985.
[14] Includes certain subsidiaries owned 50% or less, either fully or on a prorated basis.
[15] Figures are for fiscal year ended June 30, 1985.
• Not on last year's list.
N.A. Not available.

NET INCOME $000	STOCK-HOLDERS' EQUITY $000	OFFICES	EMPLOYEES
206,011	2,715,738	196	12,473
274,093	1,580,651	35	17,466
65,186	940,098	23	4,176
192,265	1,792,233	2,065	33,009
62,467	1,136,394	403	15,713
168,738	1,684,088	514	15,462
163,965	N.A.	733	16,029
42,463	608,661	202	6,953
77,007	2,139,267	536	13,580
26,190	671,639	223	6,000
105,374	1,729,572	505	18,162
19,435	908,012	90	6,277
69,234	650,370	1,171	15,639
306,762	1,980,778	986	20,381
25,962	474,788	10,841	270,884
71,363	602,612	1,421	25,537
272,457	1,576,455	1,777	43,370
61,214	887,783	199	7,148
57,763	1,046,021	1,830	28,650
8,992	793,049	501	13,459
244,310	1,515,940	1,657	38,031
14,267	194,665	52	3,714
19,978	557,536	6	2,796
35,106	414,904	1,000	11,899
11,642	834,369	279	8,797
48,176	664,851	481	11,660
245,801	1,383,215	1,679	23,629
57,884	312,251	17	913
17,132	654,878	333	9,412
6,698	215,010	30	3,000
18,728	418,414	1,406	2,927
183,623	1,230,103	1,316	32,202
62,437	998,069	4,500	19,500
55,651	398,416	349	8,078[12]
30,668	691,668	1,067	9,702
70,404	737,571	412	14,154
68,355	638,946	370	9,800
124,217	928,843	2,814	25,413
42,348	218,719	452	6,110[12]
28,447	394,830	292	8,900
36,028	552,901	177	5,328
117,599	1,242,297	852	17,590[12]
27,734	251,508	134	4,039[12]
41,496	598,693	163	5,430
74,508	552,768	1,739	19,672
10,973	743,505	328	9,251
47,326	666,781	148	5,663
49,336	828,919	189	5,889
132,583	987,070	2,248	17,523
112,217	675,432	1,738	19,668
14,805,025	148,238,535		2,365,845

RETURN ON STOCKHOLDERS' EQUITY

THE TEN HIGHEST	Rank	
Banco do Brasil	36	31.8%
Norinchukin Bank	17	19.7
Svenska Handelsbanken	89	19.4
Zenshinren Bank	78	18.5
National Australia Bank	77	17.8
Istituto Bancario San Paolo di Torino	52	17.3
Westpac Banking	67	17.3
Banco de Bilbao	100	16.6
Australia & New Zealand Banking	71	16.1
Lloyds Bank	32	16.0
The Median		*8.9*

ASSETS PER EMPLOYEE

THE TEN HIGHEST	Rank	
Norinchukin Bank	17	$27,477,240
Zenshinren Bank	78	27,075,414
Long-Term Credit Bank of Japan	16	25,300,863
Nippon Credit Bank	40	24,730,564
Industrial Bank of Japan	10	17,590,365
Sumitomo Trust & Banking	20	13,803,600
Mitsui Trust & Banking	25	13,281,839
Mitsubishi Trust & Banking	19	13,182,562
Yasuda Trust & Banking	30	12,551,867
Bayerische Landesbank Girozentrale	50	10,906,174
THE FIVE LOWEST		
State Bank of India	65	$133,708
Banco do Brasil	36	477,809
Commonwealth Banking	82	728,241
Australia & New Zealand Banking	71	789,699
Westpac Banking	67	795,503
The Median		*$2,588,035*

CHANGES IN PROFITS

THE TEN BIGGEST INCREASES	Rank	
Banco Hispano Americano	95	10,799.3%
Midland Bank	18	163.0
Westdeutsche Landesbank Girozentrale	35	140.2
Crédit Industriel et Commercial	66	124.0
Australia & New Zealand Banking	71	123.3
Cie Financière de Suez	56	109.3
Standard Chartered Bank	54	96.1
Monte dei Paschi di Siena	57	95.4
Lloyds Bank	32	72.9
Deutsche Bank	12	58.6
THE TEN BIGGEST DECREASES		
Bank für Gemeinwirtschaft	75	77.1%
Shoko Chukin Bank	62	18.1
ASLK-CGER	85	16.5
Commonwealth Banking	82	14.3
Royal Bank of Scotland	92	13.8
Cie Financière de Paris et des Pays-Bas	24	13.3
Westpac Banking	67	11.6
Chiba Bank	94	10.3
Tokai Bank	14	9.3
Groupe des Banques Populaires	69	9.2
The Median		*11.3*

The figures on the 100 Largest Commercial Banking Companies Outside the U.S. were prepared by Philip Mattera.

THE BANKS BY COUNTRY

Rank breakdown	1-50	51-100	Total	Largest bank	Assets ($000)	Rank
Australia	0	4	4	Westpac Banking	34,500,969	67
Austria	0	1	1	Creditanstalt-Bankverein	24,330,931	79
Belgium	0	4	4	Générale de Banque	36,897,722	63
Brazil	1	0	1	Banco do Brasil	56,141,599	36
Britain	4	2	6	National Westminster Bank	104,716,260	9
Canada	4	1	5	Royal Bank of Canada	70,249,388	26
France	5	6	11	Banque Nationale de Paris	123,958,594	6
Hong Kong	1	0	1	Hongkong & Shanghai Banking	69,882,805	27
India	0	1	1	State Bank of India	36,219,315	65
Israel	0	2	2	Bank Leumi le-Israel	22,178,830	86
Italy	2	7	9	Banca Nazionale del Lavoro	59,275,531	34
Japan	21	9	30	Dai-Ichi Kangyo Bank	165,653,339	1
Netherlands	3	1	4	Algemene Bank Nederland	51,678,286	41
Spain	0	4	4	Banco Central	21,917,505	88
Sweden	0	3	3	Skandinaviska Enskilda Banken	23,088,845	84
Switzerland	2	1	3	Union Bank of Switzerland	67,695,689	29
West Germany	7	4	11	Deutsche Bank	96,946,249	12

ALPHABETICAL INDEX OF THE LARGEST COMMERCIAL BANKING COMPANIES OUTSIDE THE U.S.

COMPANY	RANK
ASLK-CGER	85
Algemene Bank Nederland	41
Amsterdam-Rotterdam Bank	44
Australia & New Zealand Banking	71
Banca Commerciale Italiana	46
Banca Nazionale del Lavoro	34
Banco Central	88
Banco de Bilbao	100
Banco di Napoli	70
Banco di Roma	55
Banco di Sicilia	96
Banco do Brasil	36
Banco Español de Crédito	99
Banco Hispano Americano	95
Bank für Gemeinwirtschaft	75
Bank Hapoalim	87
Bank Leumi le-Israel	86
Bank of Montreal	33
Bank of Nova Scotia	48
Bank of Tokyo	21
Bank of Yokohama	68
Banque Bruxelles Lambert	74
Banque Française du Commerce Extérieur	80
Banque Nationale de Paris	6
Barclays Bank	13
Bayerische Hypotheken -und Wechsel-Bank	47
Bayerische Landesbank Girozentrale	50
Bayerische Vereinsbank	39
Caisse Nationale de Crédit Agricole	7
Canadian Imperial Bank of Commerce	38
Cassa di Risparmio delle Provincie Lombarde	59
Chiba Bank	94
Chuo Trust & Banking	72
Cie Financière de Paris et des Pays-Bas	24
Cie Financière de Suez	56
Commerzbank	37
Commonwealth Banking	82
Crédit Commercial de France	90
Crédit Communal de Belgique	81
Crédit Industriel et Commercial	66
Crédit Lyonnais	8
Crédit Mutuel	83
Crédit Suisse	51
Creditanstalt-Bankverein	79
Credito Italiano	61
Dai-Ichi Kangyo Bank	1
Daiwa Bank	28
Deutsche Bank	12
Deutsche Genossenschaftsbank	53
Dresdner Bank	23
Fuji Bank	2
Générale de Banque	63
Groupe des Banques Populaires	69
Hessische Landesbank-Girozentrale-	73
Hokkaido Takushoku Bank	58
Hokuriku Bank	91
Hongkong & Shanghai Banking	27
Industrial Bank of Japan	10
Istituto Bancario San Paolo di Torino	52
Joyo Bank	97
Kyowa Bank	42
Lloyds Bank	32
Long-Term Credit Bank of Japan	16
Midland Bank	18
Mitsubishi Bank	4
Mitsubishi Trust & Banking	19
Mitsui Bank	15
Mitsui Trust & Banking	25
Monte dei Paschi di Siena	57
National Australia Bank	77
National Westminster Bank	9
Nederlandsche Middenstandsbank	76
Nippon Credit Bank	40
Norddeutsche Landesbank Girozentrale	60
Norinchukin Bank	17
Post-och Kreditbanken	93
Rabobank	45
Royal Bank of Canada	26
Royal Bank of Scotland	92
Saitama Bank	49
Sanwa Bank	5
Shizuoka Bank	98
Shoko Chukin Bank	62
Skandinaviska Enskilda Banken	84
Société Générale	11
Standard Chartered Bank	54
State Bank of India	65
Sumitomo Bank	3
Sumitomo Trust & Banking	20
Svenska Handelsbanken	89
Swiss Bank Corp.	31
Taiyo Kobe Bank	22
Tokai Bank	14
Toronto-Dominion Bank	64
Toyo Trust & Banking	43
Union Bank of Switzerland	29
Westdeutsche Landesbank Girozentrale	35
Westpac Banking	67
Yasuda Trust & Banking	30
Zenshinren Bank	78